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Foreign Minister Kapllani on Policy, Elections

AU2603171191 Tirana ATA in English 1503 GMT 26 Mar 91

[Text] Tirana, March 26 (ATA)—The foreign minister, Muhamet Kapllani, at a press conference organized in the Press Center in Tirana on March 25 afternoon, answered the questions put by Albanian and foreign journalists, speaking on the basic orientations of Albania's foreign policy. [Words indistinct] "ZERI I POPULLIT," ATA, "THE NEW YORK TIMES," Albanian Radio-Television, REUTER, Spanish Television, the Turkish one and others, the Albanian foreign minister said that the vision of the foreign policy of the Albanian state cannot be understood without its accentuated Balkan, Mediterranean, European dimension, which converge into the current European process in the positive spirit of CSCE, where as known the United States of America and Canada take part. In this positive spirit Albania will continue to establish its international relations with other countries and regions of the world. Albania upholds the new concept on European security excluding confrontation and blocs which relies on all-sided cooperation and security for all.

Concerning the question on the results of March 31 elections, Muhamet Kapllani answered that one thing is desirable by all that is a pluralist parliament emerge from these free elections which will guarantee the continuation of the democratic process and Albania's march on the road of political, economic and social reforms.

With regard to the question of the journalist of the Turkish Television what does Albania expect at these moments of transition from the neighbouring countries of the Balkans, Turkey included, the foreign minister answered: the solidarity of the neighbouring countries, their moral and material aid is for the present a sincere support for democracy in Albania. We observe with pleasure that Turkey is proving at these moments too that it is Albania's genuine friend.

As for the question put by the Spanish journalist of "LA VANGUARDIA," what do you think of what is said that the U.S. Government will give aid to Albania only if the Democratic Party wins, the foreign minister said that he had no idea of such an official statement by the U.S. Government. Such a thing has not been confirmed by the U.S. press either.

Answering the question how does Albania consider the Cam problem, Comrade Muhamet Kapllani said that the Cam question is part of the Albanian national question. Injustices by history as that to Kosovo are open problems which will be solved in the historic process. Why shouldn't it happen with the Albanian question too?

Renewed Relations With United States Praised

AU2603165691 Pristina FJALA in Albanian No. 11 Mar 91 p 1

[Basri Capriqi article: "The Albanians and America"]

[Text] When they asked the gypsy whether socialism could triumph in the Soviet Union, he said it could. When they asked him later whether such a thing could happen in Albania, he replied that there was no way such an immense horror could fit into such a little country.

To the amazement of the gypsy and the entire world, socialism not only triumphed in the land of the eagles, but succeeded in standing firm for almost half a century until 15 March 1991. The Bolshevik party succeeded in wielding power over the Albanians for so long thanks to the main buttresses on which totalitarian states have always relied, the external enemy and the internal enemy. All so-called dictatorships of the proletariat in the socialist countries of East Europe relied on this combination of enemies as defined by the Bolshevik, totalitarian forces in power.

Diplomatic relations between the United States and Albania were reestablished after 52 years in Washington on 15 March 1991. According to the logic of things, this snapped one of the buttresses of Bolshevik rule over the Albanians, the buttress of the so-called external enemy. All political prisoners in Albania were released on 17 March. This snapped the second buttress, the internal enemy, on which Albania's Politburo relied. As if symbolically, between these two historic dates on Albanian society's road of democratic development, the Americans commemorated on 16 March 1991 the 200th anniversary [as published] of James Madison, the father of the U.S. Constitution, whom the Americans remember for his historic call for the federal unity of the American states under a democratic constitution that especially valued human rights and freedoms.

The dates of reconciliation with the United States, the external enemy, and with political prisoners, the internal enemy, are essentially the dates on which the Albanian state reconciled itself with its two most sincere friends: the United States, which as Noli used to say, rescued Albania from partition, and the political prisoners who wished to overthrow the totalitarian regime that hampered the normal development of a democratic and civilized order in Albania.

With these steps, socialism in Albania may be said to have ended, because the two supports on which it relied to tragically trample underfoot the soil and spirit of the Albanians have been removed. Without external and internal enemies, the ruling party limps like a cripple toward the 31 March elections, because it has lost the essential core of the program of development that it has cultivated for 45 years on end, presenting it in every legislature of the People's Assembly.

The External Enemy, the United States

It was not coincidental that the United States was chosen to fulfill the role of Albania's external enemy, because, as the Albanians' oldest friend, the United States would have been the most dangerous for the normal development of Soviet dictatorship on Albanian soil. On big

brother's directives, the state radio shouldered the primary task of exposing and tearing the masks from external enemies, of which U.S. imperialism was the most dangerous, while the party leader took it upon himself to publish a book whose cover announced "The Anglo-American Danger."

The drafters of big brother's expansionist plans did their utmost to disrupt the long-standing Albanian-American friendship, the greatest credit for whose establishment belongs to Fan Noli and Faik Konica. To ensure the smooth progress of the creation of socialist small herds on the shores of the Adriatic, a maritime disaster involving the mining of a British ship in the territorial waters of the Albanian state was staged for postwar Albania, humiliating the country in the international courts and at the same time creating conditions that ensured a rupture in diplomatic relations with the most important part of Europe for many years. The experiment was highly successful and resulted in an unprecedented blockage of economic, cultural, academic, financial, and diplomatic relations between the Albanians and the Anglo-Saxon world. The final aim was the total isolation of the Albanians inside the shell of the socialist camp.

While the lack of diplomatic relations resulted in a total interruption of all communication between the Albanians and Britain, ties with Albanian-Americans continued to be maintained and fostered, despite the lack of diplomatic relations and especially despite the propaganda and obscene vocabulary that characterized Radio Tirana's party commentaries aimed against what was called U.S. imperialism.

Albanian-American friendship is very old, and has helped the Albanian cause at decisive moments and at historical crossroads in times of great upheaval. President Wilson received an Albanian delegation on 4 July 1918 at a meeting organized by Noli and Vatra. Wilson was to remain one of the most sincere friends of the Albanians; his personal commitment rescued Albania from partition and ensured the independence and sovereignty of the Albanian state. After the invasion of Albania in the wake of the Balkan Wars, Vatra in the United States assumed the role of what Noli, in one of his comments on Vatra's anniversary in Boston, called a government-in-exile. It was similarly from the United States that Albania's representative set out to take part in the League of Nations meeting in Geneva on 17 December 1921, at which Albania was for the first time admitted to an organization of such stature. During World War II, Faik Konica represented the interests of the Albanian state in the United States, despite the interruption of diplomatic relations in 1939. During the entire postwar period, Fan Noli continued to mediate between the Albanians and the United States at the highest level, despite the hostility fostered and financed by the Albanian communist government.

Finally, American friendship surfaced again, despite the lack of diplomatic relations and the surly attitude of Tirana's Bolshevik government, when the U.S. Congress several times in recent years came to the defense of the Albanians' rights and national freedoms, so drastically violated by Great Serbian chauvinism. The Albanian political prisoners in Albania, together with the United States, which the totalitarian regime in Albania considered to be in hostile collusion, succeeded in threatening one of the strongest and most isolated citadels of totalitarianism in East Europe. The Albanian political prisoners in Kosovo, together with the United States, also represent a form of hostile collusion for the last Stalinist regime in Europe, and we will soon witness the downfall of Great Serbian chauvinist power. How dangerous this combination is for Bolshevik governments was evident in the police massacre that took place in Pristina on the occasion of the visit of the U.S. senators and congressmen to Kosovo. Instead of the preferred slogan of the postwar years, "Svet ima tri sina, E.H., T., i Stalina" [Serbo-Croatian: The world has three sons, E.H., T., and Stalin], the U.S. congressmen were welcomed with shouts that made Pristina shake: "U.S.A...." The Albanian question is still unresolved. There are still political prisoners in Serbia. They are exclusively Albanian, and are called the internal enemy. The United States is always called Serbia's external enemy. These are the two buttresses that continue to support totalitarian Serbian rule. With the "new world order" [preceding three words in English], these two buttresses will soon collapse under all totalitarian Bolshevik states.

Korbeci Receives Hungary's Szokai

AU2603170691 Tirana ATA in English 1511 GMT 26 Mar 91

[Text] Tirana, March 26 (ATA)—Shane Korbeci, minister of foreign trade and economic cooperation of the PSRA [People's Socialist Republic of Albania], received and had talks on March 25 before noon with the vice secretary of state of the Foreign Ministry of Hungary, Imre Szokai.

They exchanged opinions on the development of trade between the two countries, as well as the further development of trade and economic, technical and scientific cooperation.

The minister Shane Korbeci informed of the course of economic reform in our country, the measures adopted and to be taken for the further development of trade and cooperation of Albania with the world.

They voiced once more the readiness of and cooperation with Hungary in various fields such as in mining industry, mechanical one, light and food stuff industry, pharmaceutical one and in that of agriculture and livestock.

The state vice secretary, Imre Szokai, on his part thanked for the reception and evaluated the hitherto trade relations not only from the diplomatic viewpoint but also described also as an important factor of cooperation between Hungary and Albania, not only in trade but also in the exchange of experience in the actual processes Albania is passing, the exchange of information of economic character, in cooperation in various fields of the Albanian economy, the creation of joint enterprises and other forms.

Attending the meeting was also the ambassador extraordinary and plenipotentiary of Hungary in Albania, Ferenc Poka and the trade adviser, Imre Koltai.

Lilov, Lukanov Discuss Party Responsibility

AU2603182891 Sofia BTA in English 1742 GMT 26 Mar 91

[Text] Sofia, March 26 (BTA)—A press conference was held here today with the leaders of the Bulgarian Socialist Party (BSP), Mr. Aleksandur Lilov and Mr. Andrey Lukanov. It was devoted to the problem of the responsibility of the BCP [Bulgarian Communist Party] and its successor, the BSP.

The problem was considered at the latest extended plenum of the BSP Supreme Council, at which a memorandum was approved on the BCP-BSP responsibility and the guilt of some of its members incriminated in corruption and other crimes. The names of the culprits will be published in the press starting from tomorrow, Mr. Lilov announced. He parried all attempts of the journalists to learn more details and pointed out that 3,500 members have been expelled from the party since the latest party congress.

Ms. Klara Marinova, MP and head of the Press Centre of the BSP, was a little more concrete. She said that the memorandum mentions the names of "nearly all the people whose portraits we used to carry." She probably meant the portraits of Politburo members and secretaries carried at all national holiday demonstrations in the last decades.

Mr. Lilov said that the plenum condemned the practice of suppressing pluralism and establishing a one-party political regime. The BSP rejects the "command-and-administer economy," which has gone bankrupt, it rejects the "ideological monopolism of the BCP" and the stifling control over the intelligentsia which took away any individuality of the country's intellectual life, especially in recent years. The party assumes the political responsibility for all this and will offer its apologies in the memorandum, the Socialists' leader stated. He said that the guilt of those charged with crimes should be established through court and added that the memorandum is just a component, and not an end in itself of the process of "catharsis" and innovation of the BSP.

In reply to a question Mr. Lilov warned the opposition in a "gentlemanlike way" against repeating old mistakes and launching "death's head" election propaganda (alluding to the map widely used in the previous election campaign, on which the location of the concentration camps and political prisons were indicated by death's heads). That would mean to underestimate the changes in the BSP, the chairman of the Supreme Council said. He appealed to all political forces to "turn over the page of violence in Bulgarian history," an idea Mr. Lilov defined as the Socialists' credo.

Mr. Andrey Lukanov, deputy chairman of the BSP Supreme Council, added that the process of "de-Bolshevization" of the BSP is characteristic of the party's recent development. He repudiated the charges Todor Zhivkov made against him by saying that Mr. Lukanov had "engineered" the trial of the ex-Number One for political reasons. Mr. Lukanov stated he did not attend to the problem after the commission of enquiry he chaired that investigated the offences crimes and abuses, committed by the previous regime handed over the collected materials to the prosecutor's office last year.

The press conference left the impression that the first volley of the Socialists' heavy election artillery was already fired.

Dimitrov Reviews SDS Political Performance

AU2603115991 Sofia ANTENI in Bulgarian No. 12, 20 Mar 91 p 3

[Interview with Filip Dimitrov, chairman of the Coordinating Council of the Union of Democratic Forces, by Iliana Doncheva; place and date not given: "We Are Not of Special Mould"]

[Excerpts] [Passage omitted] [Doncheva] In your opinion, what mistakes committed in the past by the Union of Democratic Forces [SDS], have lowered confidence in the SDS?

[Dimitrov] One of the basic mistakes of the SDS is that it is not always aware of its power. I think that this involves a very human factor, because for a long period of time the SDS was afraid that its activity would create violence. The communication issue is perhaps another mistake. We often think about certain things, which we seldom spell out completely, and thus we remain misunderstood. Immediately after I became SDS chairman, I began to deal with the communication issue. The result is not great, and this is one of my mistakes. I think that some of the things we lack, and some of the bad habits that have been "stuck" in us during the years of socialist tradition, in which we used to live, are related to the fact that we apparently forgot to think in an operational manner, i.e., to begin by arranging the order of our intentions, goals, and methods of pursuing them. This is something that is hard to learn. I think that to a large degree this is the problem of the entire country, and not only the SDS. We do not have many opportunities to compensate for such mistakes. Many people and means are needed for this.

[Doncheva] Is this what the SDS mostly lacks?

[Dimitrov] What the SDS lacks is 45 years of democratic tradition. Unfortunately, there is no way we could make up for this.

[Doncheva] What do you think about the upcoming elections? When will they take place?

[Dimitrov] You know my thesis. It is very simple. Are we allowed to postpone the legislative elections because the date of the municipal elections remains unclear, as somewhere in the next two months? Are we allowed to postpone the elections until the Grand National Assembly adopts a constitution, as the proper order

requires, or shall we forget about the constitution? This would mean elections in May, a change in the legislature and elections for the National Assembly.

I realize that both things sound a bit unpleasant, i.e., we face the choice of the lesser evil. We must understand the cost of the delay. I note certain tendencies within the Bulgarian Socialist Party [BSP] that prompt me to think that the BSP would like very much to postpone the elections. I think that playing up the Stoyan Ganev case (which is a lost cause), also points in that direction. [passage omitted]

[Doncheva] What do you think must be done to consolidate the SDS, and does the SDS need consolidation?

[Dimitrov] The existence of the SDS is a daily miracle. The very idea of the existence of such a bloc of oppositional organizations sounds like a joke in other Balkan countries. They think that we are creatures that are completely subjugated to the idea of existing together, and that for this purpose we have given up many ideological goals.... This is not exactly true. We are by no means people of a different mould. The very existence of the union is an act of heroism. This existence was prompted not by party considerations, but by concern for the entire nation. It is true that political forces outside the SDS do not have much chance, however, this situation did not prompt the opposition in Romania or Yugoslavia to follow our example and unite. It is a fact that now and in the future Bulgaria will only benefit from a united opposition. Wherever there was a united opposition bloc, such as the "Democratic Forum" in Czechoslovakia, it has already disintegrated, despite the fact that it was in a much better position than the SDS regarding anything related to the internal political situation. Various factions and tendencies developed there. We began as a union of different organizations with separate leaderships and orientation. From this point of view, it is to our credit that we still exist. As far as consolidation is concerned, I think that the SDS is sufficiently strong. Much more must be done about its efficiency. Speeding up communications between the center and the provinces is one of the things that must be done. We must also implement a more efficient and operative procedure for adopting decisions. This is not an easy mater, because it contradicts the very essence of the union. [passage omitted]

Fatherland Union Supports the Government

AU2603120591 Sofia OTECHESTVEN VESTNIK in Bulgarian 20 Mar 91 p 1

[Statement by Spokesman of the Fatherland Union National Council; place and date not given: "Let Us Support Parliament"]

[Text] Citizens, we were recently confronted with the most serious political and legislative conflict since the election of the Grand National Assembly. The questioning of the legislature's legality, the efforts to obstruct and block its legislative activities that reached the point of demanding its dissolution, all these circumstances impede the normal progress of democratic changes and the implementation of the economic reform. Nevertheless, despite the vote on the decision of the Credentials Commission, the concern about the future of democracy, about the social and political stability of society has not subsided. This is so because as long as there is no sufficient, permanent political goodwill for a mutual understanding, motivations for a legislative crisis are likely to emerge at any time.

The current balance of forces in the Grand National Assembly, the extremely aggressive behavior of certain individual legislative members, and the excessive pressure exerted upon the work of the only existing legitimate entity of supreme power in our country that has been legally and directly elected by the citizens caused an inadmissible waste of the assembly's working time, provoked unnecessary legislative conflicts, and caused a delay in discussing numerous bills of crucial importance for the reform. All this, along with the almost daily manifestations of inadmissibly rude behavior on part of individual deputies and legislative groups has created an atmosphere of insecurity all over the country, is dividing people, and obstructing the normal development of economic and social life, by increasingly worrying the ordinary citizens who are stoically supporting the vicissitudes of the economic crisis.

The people expect reliable evidence of the businesslike, constructive, and competent work of the legislature and of the deputies' personal concern about Bulgaria.

The Grand National Assembly was elected for the purpose of drafting and adopting the constitution of the Republic of Bulgaria and of passing some of the most important constitutional bills likely to guarantee the irreversible nature of the democratic transition and to facilitate the progress of the economic reform. The people voted confidence in the deputies exactly for this purpose and this is what the members of the legislature irrespective of the party they represent, are expected to accomplish.

The Fatherland Union has always insisted on controversial questions being resolved through dialogue and mutual compromise while Bulgaria's interests should always prevail over the interests of individual parties. The Fatherland Union today insists that the Grand National Assembly should devote accelerated, disciplined, effective, and competent efforts to the prompt accomplishment of its mission, that it should pass the urgently required economic bills, draft a new type of local administrative services, and last but not least, accomplish its major task—namely the adoption of the new constitution. The self-dissolution of the Grand National Assembly should be the natural result of the aforementioned achievements. Immediately following this act, general and local elections should be held which could easily take place in June 1991.

In the meantime, the Fatherland Union urges all citizens, parties, public forces, and social circles, the intelligentsia, all young people, and all Bulgarian women to support the constitutional legislative order, the Grand National Assembly, the president, and the government. We propose to all parties, organizations, and movements, to all trade union organizations, to refrain from public mass election campaign-like demonstrations until the start of the official election campaign, and to assist rather than obstruct the Grand National Assembly in coping with the task for which it was elected.

Citizens, there is no other alternative along the path of building a just civic society, along the path toward peace and security, toward Bulgaria's future.

Let us join our efforts for the sake of this idea inspired by our unmistakable civic duty and strong political will.

Secret Archives Investigation Discussed

AU2603112591 Sofia SVOBODEN NAROD in Bulgarian 20 Mar 91 p 1

[Nevena Kopandanova article: "Have the Archives of the Sixth Department Been Destroyed?"]

[Text] Yesterday, Plamen Simov, National Assembly deputy from the Movement of Rights and Freedoms [DPS] and member of the Legislative Investigation Commission on the Causes of the Economic Crisis, stated as follows: "General Semerdzhiev told me that the archives of the Ministry of Internal Affairs' Sixth Department have been destroyed." Following this, the legislative member, who is also the head of the Subcommission on Personal Responsibilities, pointed out that the disappearance of the Sixth Department from the scene of state institutions encourages its former members to feel secure in their impunity. For this reason, Plamen Simov proposed that a full list of the secret service employees should be requested and that it should be established when they were transferred to other jobs and where they are working today. Full information should be also requested about the archives in question. Petur Kornazhev, chairman of the investigation commission, added that the Penal Code contains an appropriate text on the archives that also provides for relevant sanctions. According to Kornazhev, the aforementioned sanctions would not satisfy the public and the commission considering that they are rather lenient regarding the guilt of those directly, or indirectly involved in such offenses. Without any further commentary, the members of the commission decided to prompt the Prosecutor's Office in taking action on the mysterious fate of the controversial documents. Who has issued the instruction to destroy the archives of the sinister Sixth Department; when did it happen, and under which minister—this is the concern of our commission, Kornazhev stated in closing.

Evidently, the work of the Investigation Commission often stops at empty file cabinets and safes. Part of the decisions issued by the Politburo of the Bulgarian Communist Party Central Committee and of the Council of Ministers from the period prior to 1989, still exist and it should not be difficult to establish the responsibilities for the crisis on their basis. Numerous documents are missing, however, some have been concealed from the very beginning while others were immediately destroyed. Part of the documents belonging to Bulgarian Television that could be useful for the investigation, are also missing. The Prosecutor's Office was briefed on the question on which it should conduct an investigation.

The majority of missing documents are related to the identification of individual culprits, Simov remarked. Kornazhev added that leading figures of the Bulgarian Socialist Party [BSP] Supreme Council told him on several occasions that they are not in the possession of documents related to decisions on the "national revival process" and they do not know anything about the Ministry of Internal Affairs' Sixth Department archives.

Let us hope that, as a result of the current cooperation between the Chief Prosecutor's Office and the Legislative Investigation Commission on the Causes for the Economic Crisis, the gentlemen in question will soon learn some more about such affairs.

If the safes of the legendary Sixth Department have really been partially emptied, we can understand why certain individuals are so eager to speed up their digging into the files that has been going on for several months. It is a cheap trick, but nevertheless, quite effective.

Future Role of Secret Services Viewed

AU2603163291 Sofia SVOBODEN NAROD in Bulgarian 15 Mar 91 p 2

[Article by Chavdar Petkov, deputy chairman of the National Service for Defense of Constitution: "In the Kitchen of Spying"]

[Excerpts] Without claiming to engage in a comprehensive and scientific discussion, and hoping that the issue will become the subject of a future doctrine, one could define the national security of the country as the country's ability to protect its territorial integrity; defend its national character, institutions, and system of management against destructive influences; exercise reliable control over its territorial borders; and maintain international relations (political, military, economic, and so forth) under prudent and beneficial conditions.

I think that the national interests—political, economic, military, ecological, humanitarian, and demographic—are the main factor in defining the "national security" concept. [passage omitted]

National security is a function of the state, implemented through a system of entities such as the legislature; the president, the National Security Council, the prime

minister, the Ministry of Foreign Affairs, the prosecution, the Ministry of Internal Affairs, and other institutions.

The special services are a specific subsystem for the defense of the national interests. Its specific character is determined by its special (intelligence) units, and the means and methods of work used by those units. The utilization of those means and methods is determined by the necessity to seek, reveal, and neutralize hidden processes, which influence national security.

Let us examine the sphere of spying—intelligence penetration and the legal and illegal presence, implemented by other special services on our territory. The opinion that the basic task of counterintelligence is to "catch" spies and "put" them in prison after investigation and due court procedure, is incorrect. Through espionage methods, special services can penetrate and effect direct and indirect damage on the national interests. Such a penetration essentially differs from the so-called intelligence-information gathering presence of other special services, which, according to the Penal Code, does not represent a crime. This does not mean that counterintelligence should not be interested in controlling those processes, which also are essentially secret. When a secret process of this kind is under [our] control the potential threat to national interests is not significant. Such secret control is regular practice in the activity of the special services, which work on the basis of the well-known principle "there are no friends in spying." This by no means is an activity that prevents the establishment and maintenance of principled and equal international and interstate relations. On the contrary, the information provided by the special services to their governments could prompt useful corrections in the government's political strategy and tactics.

Therefore, the functional task of the special services is to collect, process, and convey the necessary information to the respective consumers, for the purpose of adopting management decisions, related to protecting national security. This is the source of those services' information functions.

At the same time, the abuse and illegal use of special means and the information acquired through them, creates a threat to the stability of the democratic processes in the country. This necessitates the construction of stable mechanisms of control over the activity of the special services, without this having an effect over their comprehensive functioning.

Regular control includes first of all governmental and internal departmental supervision. The possibility of effecting legislative and presidential oversight [control] over the special services, as a part of the general supervision over the activity of the executive power, is the second level of control. The press and the other mass media belong to the non-regulatory forms of control.

The role of the special services does not decrease during the transition from totalitarian to democratic society. They must be able to collect information on which the government could rely in overcoming crisis situations. The qualified, pragmatic, and objective political analysis of this information will significantly facilitate working out a long-range doctrine about the priority national interests, a doctrine Bulgaria has always lacked.

Yugoslavia's Political Crisis Analyzed

AU2603163491 Sofia ZEMEDELSKO ZNAME in Bulgarian 15 Mar 91 p 4

[Plamen Bochev commentary: "The Volcano"]

[Text] The recent events in Belgrade have brought into focus the contradictory combination of longstanding political, ethnic, and social problems in this country. It is impossible to analyze present events without considering certain historical conditions under which the present Yugoslav state was formed. If we take a close look at these, we will see that they contained the beginnings of many problems, primarily connected with the survival of the individual nationalities. These were most vividly reflected in the period between the liberation from the Turkish yoke and the end of World War II. Meanwhile, a historic conference took place in Yalta and, as we know, following this conference "the story ended" for the countries of Eastern Europe. This fact postponed the denouement to the present day, when the smoking "Balkan volcano" called the SFRY erupted in fiery flames.

For 36 years Tito's dictatorship managed to create an illusory impression of unity in the Yugoslav Federation. The situation changed sharply after his death in 1980, when the ethnic frictions between the individual republics rose to the surface. Unfortunately, Serbia was allotted the unenviable role of playing the collective character of the oppressor, and accordingly the attacks were mainly directed against Serbia's hegemony and the actions of the federal authorities.

Last year's events in the countries of Eastern Europe also served as a natural catalyst for the political processes in Yugoslavia. During the elections at the end of last year, a number of republics successively swept the communists off the political stage. The latter managed to remain in power only in Serbia and Montenegro, but their victory there was the calm before the storm.

The volcano became active, and a few days ago it erupted for an absolutely banal reason, but one which is painfully familiar in other countries, namely the totalitarian regime and censorship of the mass media. The well-known scenario followed at lightning speed: stormy protests, to which the Communists responded in the only way they knew—with force. The result of the clash is also very familiar: mass resignations, the success of the opposition, and the collapse of the Communists.

Will the present victory solve Yugoslavia's problems? This disintegration of the Yugoslav Federation is evident, and is likely to occur in the foreseeable future. This

process will be accompanied by the release of an energy that may at any particular moment become destructive.

The volcano will continue to smoke and bubble, but the only alternative is a peaceful transition to democracy, with full observance and consideration for the rights and interests of all the nationalities in the federation.

Kostov 'Optimistic' on Settling Foreign Debts

AU2603193691 Sofia BTA in English 1849 GMT 26 Mar 91

[Text] Sofia, March 26 (BTA)—Deutsche Bank, a mediator in the negotiations between Bulgaria and her 308 creditor banks on rescheduling this country's more than 10 billion dollar debt, accepts Bulgaria's ideas on the procedure related to settling the payments. This was announced at a press conference held here today by Mr. Ivan Kostov, minister of finance, who said he is optimistic as to finding a mutually acceptable settlement of the problem. Bulgaria will offer a "menu" of repayment variants, seeking to achieve the optimum solution to meet the specific interests of each of her creditors, Minister Kostov said.

Mr. Kostov expressed his belief that an agreement on a payments mechanism guaranteed by the government will be signed by the end of the year. He confirmed that Bulgaria is seeking a two-year moratorium on payments in order to elaborate the mechanism in question.

The minister accused a large part of the state sector business executives of striving to block the reform. He said that these executives are pointedly refusing to accept the government's measures for establishing a monetary equilibrium and for stabilizing the market the first stage of the reform and are seeking to restore the former status quo.

But the government will not yield to the demands for restoring the subsidies in the state sector, hard currency ones included, nor will it guarantee the state sector's raw material supplies or meet any other claims made by those business executives who are pining for the "good old times." It is more likely that these executives will have to go if they do not wish or are unable to behave adequately in the market conditions. He gave a high assessment to the progress of the first stage of the reform, pointing to the deflating prices, the drop in the dollar exchange rate and the relative stabilization of the market. He described the demands of certain private business representatives to "loosen up the reins" on inflation by decreasing the interest rate as irresponsible.

The minister reproached the banks which are not behaving adequately and, according to him, are not helping along the utilization of foreign credits by the country's economy. The government will grant licences to foreign banks to open their branches in Bulgaria and will give them access to at least part of the foreign credits in line with the policy of demonopolizing the banking system. The cabinet will continue to insist on the withdrawal of part of the banknotes from circulation and on increasing the reserves of the National Bank in compliance with the policy of stabilizing the national currency.

The recession will continue in the next two months, but the government will not allow production to drop by more than 17 per cent, Mr. Kostov prognosticated. He expressed the hope that there would be a revival of the economy soon after the second stage of the reform is entered upon.

Kozloduy Nuclear Plant Dismisses Soviet Experts

AU2603184391 Sofia DUMA in Bulgarian 20 Mar 91 p 2

[Report by Iliya Borisov]

[Text] Kozloduy, 19 March—The last group of Soviet experts who were working on bringing on line the sixth reactor of the Kozloduy Nuclear Power Plant, have left the country. As Engineeer Zakhari Boyadzhiev, chairman of the Nuclear Power Economic Association in Kozloduy, said, the release of the Soviet experts was necessary because the nuclear power plant is incapable of paying them monthly wages amounting to $4,000 that the Soviet side demands as of 1 April 1991. For this reason, the agreement with the Soviet experts has been canceled.

Well-trained Bulgarian teams will now be entrusted with bringing the No. 6 power unit on line, as well as controlling its operations. Because there are only 22 trained specialists in charge of two reactors at present, the second reactor will be put into operation by the end of April, or in mid-May—that is to say with an approximately one month delay of the initial deadline.

Belene Nuclear Plant Construction Protested

AU2603221291 Sofia Domestic Service in Bulgarian 2000 GMT 26 Mar 91

[Text] Reports about the shipment of a nuclear reactor, now situated in the port of Bratislava and intended for the nuclear power plant in Belene, caused feelings to run high in Svishtov today.

The Public Committee for Ecological and Economic Protection of the Svishtov Region held a special session to discuss the issue. After several hours of discussion, the committee adopted a protest declaration addressed to the Presidency and the Council of Ministers. The public committee announces the town's readiness to strike and declares its intention to acquaint the governments of the neighboring Balkan states with all the arguments against building a nuclear power plant near Belene. The document points out that all means will be used to prevent this construction.

Program on Georgi Markov Police File Issue

AU2603221991 Sofia BTA in English 2025 GMT 26 Mar 91

[Text] Sofia, March 26 (BTA)—This evening the Bulgarian Television aired a reportage in connection with the presumed destruction of the police file of the deceased writer and emigre Georgi Markov, renowned for his bold publications against the totalitarian regime in the past.

The Bulgarian Television interviewed General Nanka Serkedzhieva, one of the three generals of the former State Security against whom the Armed Forces Prosecutor's office launched an inquiry today in this connection. Mrs. Serkedzhieva said that she had been questioned by the competent authorities, without going into further details. Legal proceedings have been started in the proper manner, she said.

The Bulgarian Television also interviewed British Ambassador Mr. Robert Thomas. Writer Georgi Markov died in 1978 in London under mysterious circumstances which gave rise to the "Bulgarian umbrella" version. The British ambassador expressed his hope that Georgi Markov's police file has not been destroyed but will be found. He stressed that he did not wish to interfere in a country's internal affairs. Mr. Thomas expressed his personal view that such attempts to impede the legal authorities in determining the truth would complicate the solution of the case and this would have an impact on the world's tangibly improved opinion of Bulgaria.

In the same connection Mr. Kosta Bogatsevksi, representative of the Chief Investigation Department of Bulgaria, expressed the resolution of the investigation authorities to clarify the truth, despite all difficulties. The inquiry is strictly adhering to the procedure. There are no violations, Mr. Bogatsevski said. He said that if the inquiry does not succeed in determining the real culprits by April 22 it will use the possibilities provided by the law to continue its work.

Tobacco Producers Hold Talks With State

AU2603221691 Sofia Domestic Service in Bulgarian 2030 GMT 26 Mar 91

[Text] Last year Bulgaria produced 75,000 tonnes of tobacco. This year, if the necessary conditions are created, production can be increased to 115,000 tonnes.

The information was received from the Central Council of the Tobacco Producers Union concerning a meeting held today with representatives of Bulgartabak to discuss unresolved issues relating to tobacco production. Unfortunately, Bulgartabak offers considerably lower purchasing prices than the producers want. The monopoly purchasing organization refused to provide the previously offered incentives in kind, that is, to provide 1.5 kilograms of animal feed against payment for every kilogram of tobacco. With this refusal, it will be difficult to feed agricultural animals in individual farms in grain-producing regions. No agreement was reached on a proposal to give advances to tobacco producers, as is done in many developed countries. The monopoly organization Bulgartabak continues to hold back in settling the problems that have been posed. For this reason, it is necessary to break its monopoly and set up other companies to purchase the tobacco, and thus to increase tobacco production in conditions of competition.

Drivers Strike Hits Gotse Delchev

AU2603221591 Sofia Domestic Service in Bulgarian 2100 GMT 26 Mar 91

[Text] For the second day, the strike by drivers and mechanics from the Dinamo Company is paralyzing city and international transportation in Gotse Delchev and three neighboring municipalities. At the moment it is impossible to predict how long this conflict will continue and how it will be settled, because the two parties to the conflict cannot find a common language.

During the discussion of the very first point in the strikers' demands, their representatives walked out of the talks with the company's management. The demands relate to making compensation payments for wages, guaranteeing jobs, and improving working and living conditions. The parties continue to trade mutual accusations of illegal actions. It is expected that the Ministry of Transport will intervene as an arbiter in resolving the dispute.

Italian Businessmen Discuss Cooperation in Sofia

AU2603193891 Sofia BTA in English 1858 GMT 26 Mar 91

[Text] Sofia, March 26 (BTA)—Representatives of influential organizations of the Italian business circles are negotiating with their Bulgarian partners on cooperation in the light and the food industry, tourism and in other spheres at the business forum which was opened here today.

Representatives of the National Association for Foreign Trade, of the organizations for trade financing and Confcommercio, of Cogis Trading, Sigib Engineering and other companies are holding talks with Bulgarian businessmen from the state and the private sector on the expansion of trade through barter and clearing deals and through organizing production with materials supplied by clients against exports of the finished product.

The business forum is organized by the Italian National Institute for Foreign Trade in cooperation with Bulgaria's chambers of commerce and industry.

Government Approves Army's Name Change

AU2503220291 Sofia BTA in English 2050 GMT 25 Mar 91

[Text] Sofia, March 25 (BTA)—In harmony with the recent changes of symbols and names, among which was the dropping of the discredited qualifier "people's" from the official name of Bulgaria, the government today approved the proposal of the Ministry of Defense to

remove "people's" from the name of this country's army. From now on it will be called simply "Bulgarian Army."

The proposal of the Ministry of Defense to set up a Bulgaro-Greek-German joint venture called Namko-Bulgaria for the manufacturing of Ford Ranger and Agrican light-duty trucks was approved in principle. The Bulgarian partner will hold a 50 per cent stake in the company. The remaining 50 per cent will be shared among the foreign partners. The idea is to build as many as 30,000 trucks a year in three years' time. The trucks will be sold in Bulgaria and abroad.

'Collaborators' Urged To Relinquish Mandates

LD2603225391 Prague CTK in English 2017 GMT 26 Mar 91

[Text] Prague March 26 (CTK)—The Czechoslovak Federal Assembly called today on the federal government to submit a bill on handling information on members of and collaborators with the former state secret police. In its resolution the Czechoslovak parliament called on the commission investigating the November 17, 1989 events to accelerate its activity, complete the investigation of these events and submit a final report before the end of 1991.

The parliament also called on those deputies whom the commission found on the register of collaborators with the former secret police to give up their mandates. It further charged the parliament presidium to declassify and thus make available to the deputies of the Federal Assembly evidence assembled by the investigation commission as regards deputies read at last Friday's session of the parliament as persons who have collaborated with the secret police. [sentence as received]

More on Decisions of 21 Mar Government Session

AU2603220191 Bratislava PRAVDA in Slovak 22 Mar 91 pp 1,2

[Alena Borovickova, CTK report: "Kanturek and Uhl 'on the Carpet'; From a Meeting of the Federal Government"]

[Excerpts] Prague— About 20 different issues were on the agenda of yesterday's meeting of the federal government. [passage omitted]

The federal government considered Czechoslovak participation in the construction of the gas industry integration project in the USSR and reached the conclusion that the much-discussed economic efficiency of this method of safeguarding supplies of natural gas to Czechoslovakia is favorable for our economy. It decided that the further work on this project will no longer be controlled directly from the center but exclusively by means of economic instruments, including by way of state orders. [passage omitted]

The federal government approved a proposal for Czechoslovakia's accession to Council of Europe agreements concerning the recognition of studies and educational documents and diplomas. Accession to these agreements solves the problem of mutual recognition of documents on the qualifications of students, scientists, specialists, and other personnel in the Council of Europe member countries, which is exceedingly important at a time of growing mobility of labor in Europe.

The federal government voiced its consent about the progress of work on the drafting of an intergovernmental agreement between the CSFR and the United States on the establishment of a Czechoslovak-American enterprise fund endowed with approximately $60 million. The minister of economy was instructed to coordinate the implementation of set tasks in cooperation with [other] federal and republican central bodies and to submit the draft agreement to the CSFR Government for approval at the earliest suitable date, after the conclusion of preparatory talks with the U.S. side.

At the close of the meeting, a debate on problems of the media was held. Jiri Kanturek, central director of Czechoslovak Television, and Petr Uhl, central director of CTK, were "called on the carpet." They were summoned to the government to explain certain areas of friction concerning the presentation of the government in the central information media. [passage omitted]

Yesterday's meeting of the federal government also reacted to the problems of Slovak Radio. It decided to release from the federal budget a special purpose subsidy of 26.3 million korunas for the Slovak Government to ensure the operation of medium-wave transmitters that transmit the program of Radio Czechoslovakia in Slovakia.

Communist Party Implicated in Financial Fraud

AU2603160891

[Editorial Report] Prague RUDE PRAVO in Czech on 19 March on pages 1 and 2 carries a 450-word "ev"-signed report entitled "Dollar Fraud." The report deals with fraud involving forged promissory notes perpetrated by the Trixi cooperative. As the reporter points out, "Trixi is one of the organizations to which large financial resources from the property of the Communist Party of Czechoslovakia were unlawfully transferred" in an endeavor to circumvent the confiscation of this property. Prague RUDE PRAVO in Czech on 20 March on page 2 carries a 500-word "per"-signed report entitled "Once Again About the Trixi Affair." The report surveys reactions of Communist Party of Bohemia and Moravia [KSCM] officials to the discovery of this fraud.

According to the report in 19 March RUDE PRAVO, Martin Jiranek, head manager of the Trixi cooperative, and Jiri Frodl, an employee of the Obchodni Bank, are being prosecuted because they used six forged promissory notes, each of them for over $2 million, to purchase goods from the Italian Vincento de Modrone company. The report quotes V. Nechanicky from the CSFR General Prosecutor's Office as saying that "there are signals that uncovered promissory notes have been issued also by other organizations, to which the property of the Communist Party of Czechoslovakia had been illegally transferred." Nechanicky says that transactions involving the property of the Communist Party of Czechoslovakia carried out before and after the passage of the constitutional law on the return of the property of the Communist Party of Czechoslovakia are being investigated by a special team of investigators.

In the 20 March issue of RUDE PRAVO, the "per"-signed RUDE PRAVO correspondent asks several KSCM officials to comment on the Trixi affair. Frantisek Pestuka, head of the KSCM Central Committee

Economic Department, says that the Communist Party cooperates with the investigators of the Trixi affair and "provides them with all documents that are of interest to them." He adds that he did not hold any post in the Communist Party at the time of the transfer of funds to the Trixi cooperative and is therefore unable to "provide any more details on this matter." He argues, moreover, that the Communist Party itself is "the injured party and will lay its claims."

Petr Vilhelm, spokesman for the KSCM, says that the KSCM was registered as a legal entity only in November 1990 and that all the funds on its account (9.5 million korunas) are payments that it received for its electoral results. As Vilhelm points out, "the KSCM did not finance any entrepreneurial subjects, did not transfer any financial resources to any entrepreneurial subject, and does not derive any financial benefit from such transactions." In spite of this fact, the KSCM leadership "has instructed the KSCM auditing bodies and the head of the economic department to review all property and financial transactions carried out on the territory of Bohemia and Moravia after 17 November 1989."

The RUDE PRAVO correspondent says that he was unable to question Engineer Petr Rosecky, former head of the party's economic department, who no longer works at the KSCM Central Committee.

Military Equipment Redeployed, Concentrated

AU2603185891 Bratislava PRAVDA in Slovak 21 Mar 91 p 3

[CTK report: "No War is Under Preparation"]

[Text] Prague—In harmony with a decision made by CSFR Defense Minister Lubos Dobrovsky about the implementation of principal organizational and deployment changes in the Czechoslovak Army in 1991, military equipment of ground and air forces will be concentrated in ten selected places: Terezin, Holysov, Jihlava, Jaromer, Vodochody, Moldava nad Bodvou, Prerov, and the military training areas in Lest, Libava, and Jince.

The transfer will be carried out by rail between March and August 1991 and [other] communication links will be used only as necessary (to and from loading and unloading railway stations). This information was provided by Lieutenant General Jan Krizan, deputy chief of the Main Administration of Ground Forces of the Czechoslovak Army, at yesterday's news conference in Prague.

He said that after its transfer to the designated places, all the equipment will be stored and not used for training. It will be gradually scrapped in harmony with the Vienna disarmament agreements. It is presumed that some 4,500 items of military equipment will be concentrated in the designated area.

CSFR Defense Minister Lubos Dobrovsky added that the Army wants to inform the public to make clear where and why the military material is being moved to prevent unnecessary conjecture. "No war is being prepared," he said on the subject of the transfers that have begun.

On the subject of our antichemical unit deployed in Kuwait and Saudi Arabia, he said that the termination of its deployment depends on the conclusion of postwar peace treaties among the parties involved. He also mentioned the sale of Czechoslovak technology that was used by our troops to Saudi Arabian Armed Forces.

Dlouhy Comments on Economic Reform Problems

LD2603231691

[Editorial Report] Prague Federal 1 Television Network in Czech at 1830 GMT on 26 March carries a seven-minute recorded talk by Federal Economy Minister Vladimir Dlouhy about the problems of the radical economic reform.

Dlouhy says that at the beginning of January we carried out the basic steps of our economic reform; we introduced internal convertibility of our currency, which was a huge change after 40 years of central planning, and we carried out extensive liberatization of prices. The substantial part of our prices is now free and we are regulating only a limited part of our price system, perhaps sometimes not exactly as we should.

He continues: We never made a secret of the fact that these first steps in the reform will not lead immediately to achievements, and that we have a difficult period ahead of us. Naturally January and February have shown that this is really the case. Industrial production fell by 5.3 percent, and construction work by 33 percent. Inflation in retail prices was 25 percent in January, but only 7 percent in February. Wholesale prices went up in January by 24 percent, and in February by 19.3 percent. It can be seen that after the initial fluctuation, our prices are becoming gradually stabilized. Unemployment is rising. At the end of February it was approximately 2 percent. Our balance of payments is negative, but the overall deficit is much, much better than we expected.

Dlouhy says that one of the greatest problems is the deficit in export, above all the fall in demand in the USSR. In January we were exporting about 90 percent of the January 1990 amount; naturally the decline in exports to the USSR is much greater.

Retail turnover, he continues, fell by 33 percent, and this is also a significant decline.

Dlouhy says that the positive feature of the development is, apart from liberation of prices and convertibility, the reduction of demand over supply, which for years used to be one of the problems of the Czechoslovak economy. The consumer begins to dictate what he wants to have on the market. Not only is this macroeconomic change important; what is important are microeconomic changes; that is, changes in the behavior of enterprises that should be controlled much more by market forces. It

is important to privatize further, to expand the liberalization of prices, to reduce regulation of prices to the minimum, to improve convertability, and liberalize foreign trade. It is also important to continue *with correct* legislation: The Federal Assembly should deal with the law on bankruptcy, the law on further deliberation of foreign trade, and laws on tax reform.

Dlouhy says that what the government does not want to do is to choose which enterprises to support. Such a policy was never successful in the advanced capitalist world. The government does not plan to slow down economic reform to deal with the problems of individual enterprises. On the other hand, the government regards as its own task handling the broadest problems and helping the marketing crisis by, in particular, helping with exports to the USSR and to other countries. The government wants to spend half a billion korunas in subsidizing a certain project in the USSR that would help our exports there. The government wants to invest half a billion korunas from the federal budget for conversion, of which 1.5 billion will be spent on conversion from military to civilian production, Dlouhy concludes.

State Bank Chairman Outlines Banking Situation

AU2603220791 Prague HOSPODARSKE NOVINY in Czech 22 Mar 91 pp 1,3

["(jop)"-signed report: "Banks Are Not Charitable Institutions"]

[Text] At Wednesday's [20 March] seminar with Federal Assembly deputies, the chairman of the Czechoslovak State Bank [SBCS] called the current contracting situation a marketing crisis without parallel in our economy.

Despite the fact that the seminar was held during the evening, a very lively and open exchange of views took place among deputies from Federal Assembly economic committees following J. Tosovsky's introductory speech. "What is happening at the moment comes as no great surprise to us in the bank," said J. Tosovsky. He added that the difficult financial situation facing enterprises is absolutely logical at the start of reform. In this connection, he mentioned, among other things, external influences; first and foremost, the collapse of the CEMA market and, in particular, trade with the USSR. Payment conditions, including the transition to a world method of providing credit, have also changed. If we compare development in January 1990 with development in January 1991, we recorded a decline of 47 percent in relation to the USSR; last year's contracts had still not been "concluded." The current contracting situation is, as opposed to last year, at a level of 10 percent. J. Tosovsky, without beating about the bush, called this situation a marketing crisis without parallel in our economy. The SBCS' views regarding unemployment do not differ from government estimates (they have the same indicators; 30-percent inflation); however, their views differ on the issue of economic decline (the government is "planning" for a five percent decline, while the SBCS envisages a decline of up to 10 percent). A balance of payments deficit amounting to $2.5 billion is also unusual for "cautious" Czechoslovakia. The SBCS *chairman described stabilizing prices development and* preventing "acceleration toward inflation" as one of the key tasks for the coming months or—more likely—weeks. He gave a detailed explanation of why he considers time pressures to be significant. The planned increase in credits (20 percent) in fact means a decline (inflation is higher—30 percent). An increase in credits by 9-10 percent had been envisaged for the first quarter; however, reality during January and February was much more modest (one percent). The head of our central bank puts this down to a complete change in the enterprises' income situation (tax fluctuations, subsidies, and so on), a situation in which both banks and enterprises were unable to orient themselves properly.

Following his critical evaluation of development at the beginning of 1991, J. Tosovsky went on to outline specific solutions. In his opinion, the central bank—under the conditions of undeveloped market mechanisms—must make specific recommendations to commercial banks to ensure that they orient themselves better. Of course, this should not be done in the style of the former planning commission, which determined the amount of credit for individual spheres. Activity undertaken not only by the enterprises themselves, but also by all three governments was described as an elemental step. He considers it necessary for the federal government to "quicken its pace" in its attempts to find markets for the Czechoslovak economic sphere, including the resumption of talks in the USSR. In his opinion, scope for this has improved. It is also necessary to look to the EC market and, for example, to the Persian Gulf region. He considers it essential for all three governments to unequivocally formulate an industrial, agricultural, and sector policy; he regards procrastinating in decisionmaking—for example, in the issue of nuclear power plants—as well as in the previous governments' other "unfinished business" (investments in the USSR and so on) to be a negative trend. He also criticized promises of cheap credits for whichever sphere of the economy, promises that are unrealistic for the banks. He termed the situation regarding some agricultural products (milk) as a crisis of overproduction where the attempt to restrain high prices by means of providing credit is not viable. He also mentioned his discussions with Czech Minister J. Vrba and the offer to Slovak Deputy Prime Minister J. Kucerak to make a joint effort to supplement shortages on the market by protecting threatened enterprises or those facing bankruptcy and by deciding where it would be appropriate "to push the visible hand of the banks toward the invisible hand of the market." Of course, the nonexistent law on bankruptcy complicates selection, which leads to the bankruptcy of weak enterprises. Resources can only be redistributed; however, they cannot be increased or an inflationary spiral would be unleashed.

Concerning earmarking permanently maintained stock credits for the Consolidating Bank, he stated that this

bank is understood to be merely an interim measure. The SBCS will push for its transfer into the National Property Fund since the issue here does not actually involve credits in the banking sense. The banking sphere will take a number of technical measures—for example, introducing bills of exchange—to tighten financial discipline. Mutual settlement of debts will also take place.

Concerning foreign indebtedness, he stated that its gross amount is almost unchanged ($8.1 billion); however, outstanding debts in the USSR alone amount to $3.2 billion when calculated at one ruble to one dollar (not including our investments in integrative projects). Of course, the USSR is almost insolvent, and we cannot afford to resolve this situation by providing further magnanimous credits like the rich FRG can. The state's foreign currency reserves are purposefully determined each month, the development of convertibility is looking good, and in no way is there a threat of devaluation, stressed J. Tosovsky.

Following his extensive report, the deputies showered the SBCS chairman with questions.

Deputy Venek Silhan was interested in more general issues concerning the systemic defects of economic reform (whether the head of the central bank sees any), supplies (previous shortages and today's over supply), and Tosovsky's opinion of the state's role during the transition period. In J. Tosovsky's opinion, one of the systemic defects today is the fact that the state's role has gone from one extreme to another when positions were vacated far too quickly in a still nonfunctioning market economy. Then there is the delay to privatization; in Tosovsky's opinion, its first round will not take place before the beginning of next year. "As an economist, I cannot accept restitution," he said in this connection, adding that the delay to privatization will also lead to a reduction in the inflow of foreign capital. He also labeled the insufficient preparation of price liberalization as a "defect" that , for example, allowed some unscrupulous businessmen to make a great deal of money. Some of them acquired 200,000 korunas in one month. "They are laughing and saying—let us have more of this!" Apropos of devaluation, he explained that there was no other way for the given scenario for economic reform, and he referred to the massive revaluation in the former GDR (an exchange of marks at a ratio of 1:1) that is now throwing its economy into a spin and causing mass unemployment.

Concerning the possible danger to the attempts to keep a tight rein on inflation, he mentioned his two fears: what will happen as a result of compensating for price increases by raising salaries—as suggested by the trade unions—and what will happen as a result of the price hikes affecting the population's heating and energy costs. In his opinion, this price increase should have been introduced as of 1 January 1991, that is, at a time when the price level was unstable. Further destabilization at a later stage could have a negative impact on an already stable price level.

In reply to a question on where our gold reserves are kept and what they amount to, he said that one third of them are located in reputable foreign banks (in Switzerland and London). These reserves are used, for example, to temporarily cover loans. Two thirds of the reserves are kept in several locations throughout the Republic. As a whole, we have approximately 105 tonnes of gold in ingots and coins; some of these have a great historical value. Of course, our foreign currency reserve situation makes it impossible for us to adopt a more magnanimous policy in the monetary sphere.

In reply to criticism of the nonliberalized method of exchanging foreign currency (2,000 korunas; 5,000 korunas as of 1 April), he tentatively recalculated the population's savings at $10 billion; possible pressure (while withdrawing and exchanging) could endanger the foreign currency economy. This would eliminate the foreign currency black market, but today this hovers only 10-15 percent above the official rate of exchange, which is an "interesting development."

The deputies also criticized the exchange of korunas in Austrian and German banks and they expressed their anxiety about the possible abuse of currency purchased this way in our economy. The reply they were given was that the SBCS is not indifferent to this situation. For example, it has intervened in Austria, but the banks there have the right to deal in whatever currency they want; the government cannot prevent them from doing so. Of course, following consultations, they came to the conclusion that the alarming reports about 20 billion korunas in these financial institutions are considerably exaggerated. Private estimates hover at around one to two billion, which is not enough to significantly endanger us.

In conclusion, the SBCS chairman told deputies that little of the bank's work is visible, but that results have been achieved. A secondary market in bonds is in operation. The stock market is almost ready; its preparatory committee has already registered, its legislative work has progressed considerably, and the privatization of all large state banks is envisaged. For example, at least 12 foreign parties have expressed an interest in the Zivnostenska Bank. Competition on the capital market is another element of demonopolization in addition to the operation of foreign bank branches and the growth in the number of domestic banking institutions.

Economy Ministry Officials on Steel Industry

AU2603133291

[Editorial Report] Prague HOSPODARSKE NOVINY in Czech on 21 March on page 4 carries a 3,500-word article by Dagmar Truncova entitled "Steel, the World, and Us." The article, which is based on the author's interviews with two Federal Ministry of Economy officials, deals with the prospects of steel production in Czechoslovakia. The two officials are Engineer I. Zadny, adviser for metallurgy at the CSFR Ministry of

Economy, and Engineer J. Petr, director of the Metallurgy Policy Department at the CSFR Ministry of Economy.

Truncova points out that in 1990 Czechoslovakia produced 14.87 million tonnes of steel and ranked 12th among the world's largest manufacturers. In terms of per capita steel output, it held "one of the foremost positions in the world." In this context, she asks I. Zadny how efficient it is for Czechoslovakia to produce and export so much steel.

Zadny replies that the efficiency of steel exports is highly questionable. He points out that Czechoslovakia does not have any iron ore of its own. It imports all of it by rail, which makes the raw material very expensive. The production costs of coal are also high in Czechoslovakia, as it must be extracted from increasingly greater depths. Moreover, the steel industry's equipment and the technologies of steel production used in Czechoslovakia are obsolete. The amount of steel produced by means of continuous casting, for example, is so small that Czechoslovakia ranks only 35th among the world's largest producers of continually cast steel. This accounts for a very low productivity of labor, with the Czechoslovak steel industry requiring three times as many steel workers per production unit than Western producers. Zadny, therefore, believes that Czechoslovak steel mills would not be competitive if they had to pay world prices for their inputs.

Zadny is also asked to comment on Czechoslovak participation in the construction of the Krivoy Rog iron-ore processing plant in the Ukraine. He admits that this joint Czechoslovak-Soviet project is "very questionable," but he points out that since the start of construction, Czechoslovakia has invested about 5 billion korunas in the project, money that it would have to write off if it canceled the agreement. Moreover, cancellation "would probably have political consequences as well." Zadny mentions that teams of experts are studying the efficiency of Czechoslovakia's participation in the project but that no decision has been reached as yet.

Speaking about Czechoslovakia's iron ore imports, Zadny says that the country currently imports about 8 million tonnes of Soviet iron ore annually, which represents the bulk of its consumption. An additional two million tonnes are being imported from Brazil and other countries.

Engineer J. Petr comments on the future of steel exports. He says that he does not expect any "substantial" cut in steel exports in the next two to three years because the EC will probably have "understanding" for Czechoslovakia and is not likely to reduce the Czechoslovak export quota. As to the situation in the more distant future, Petr says that Czechoslovakia will have to concentrate on exporting what "we can do well" (this includes, in his opinion, tool steel from Kladno, steel wires from Trinec, and sheets from Kosice) while phasing out the production of "what we can do less well." The output of steel in general should be cut from the present level to between 8 and 10 million tonnes a year.

Hungarian Industry Minister Holds Energy Talks

LD2603193291 Budapest Domestic Service in Hungarian 1700 GMT 26 Mar 91

[Evelyn Forro report]

[Text] Hungary's medium-term plans on energetics could be connected to the CSFR views. Some elements of this were also raised at talks between [Hungarian] Industry and Trade Minister Peter Akos Bod and Federal Economy Minister Vladimir Dlouhy in Prague. At the news briefing following the discussion, the Hungarian guest pointed out that, as part of the Pentagonal, a Slovak-Austrian-Hungarian triangle could be formed by joining the large oil refineries. As for the electrical systems, it would be logical if the countries of Eastern-Central Europe switched over to the West European system together.

In reply to my question, Peter Akos Bod said that the main reason the cooperation in energetics is necessary is the fact that the extent of the vulnerability of Hungary and the CSFR is more or less the same in this area.

There was also mention of the differences between the privatization processes taking place in the two countries. I asked the minister if he had asked why Prague's relations with the Soviets are better than ours. He answered that the subject of international relations was not raised. However, he reckons that Soviet insolvency is beneath criticism, irrespective of ideology or political relations. Luckily, the Hungarian economy is less dependent on the Soviet market than some other countries. However, it is obvious that the decline of Hungarian-Soviet trade relations last year has weakened the Hungarian economy, too, said Peter Akos Bod.

In addition, he also had talks with the Czech industry minister, and tomorrow he will meet the Slovak industry minister in Bratislava.

Public Polled on Living Standards, Leadership

LD2603190691 Prague CTK in English 1643 GMT 26 Mar 91

[Text] Prague March 26 (CTK)—Only one-tenth of the population of Czechoslovakia are content with the development of the living standard, according to a public opinion poll carried out among 1,085 respondents in the first week of March. The Institute for the Research of Public Opinion said in its report published today that people are little satisfied also with changes in economy (only one in eight). 20 per cent are content with the development in the social field and 25 per cent with the political development. Nearly two-thirds agree with the development in the foreign political sphere. The poll showed that the Czechoslovak public has less confidence

in all political institutions. Only 36 per cent have confidence in the Czechoslovak parliament, 26 per cent have confidence in the federal government in the Slovak Republic and 58 per cent in the Czech Republic. In the Czech lands the president of the Republic continues to enjoy great confidence (82 per cent of the polled), while in Slovakia for the first time since his election 52 per cent do not have confidence in him while 47 per cent still enjoy it. As to the future setup in the Czech Republic, more than one-third of Czechs are advocates of the status quo with fewer supporters of a regional setup, more than one-third of Moravians wish to have an "autonomous" Moravia within the Czechoslovak federation with fewer than one-third accepting also a regional setup within the Czech Republic, the Slovaks mostly prefer a regional setup within the Czech Republic.

Havel on Recalling Ambassador from Netherlands

AU2603144091 Bratislava VEREJNOST in Slovak 25 Mar 91 pp 1, 4

[Jozef Uvacik report: "We Are Not Dissatisfied"]

[Excerpt] [passage omitted] While meeting [Netherlands] journalists, President Vaclav Havel also replied to questions about the case of the recently recalled Czechoslovak ambassador to the Netherlands. Asked whether the reason for his being recalled was his collaboration with the former State Security, the president confined himself to the statement that the ambassador had been recalled for serious reasons and that he is not the first, nor will he be the last one, to experience this fate. [passage omitted]

Pithart Interviewed on Current Political Issues

LD2603224791 Prague Domestic Service in Czech 1800 GMT 26 Mar 91

[Interview with Czech Prime Minister Petr Pithart by unidentified reporter; place and date not given—live or recorded]

[Excerpt] [passage omitted] [Pithart] We have democracy in our federal republic. We have freedom of speech; it is possible to argue and to lead discussions. Such polemics and discussions indeed are taking place both in the Czech lands and in Slovakia. Numerous significant political movements and political parties are essentially democratic, although some of them may be unpopular. The citizens of both our republics are thus able to draw a realistic picture of the true state of affairs. The process of cognition simply requires time. It can take a certain time, but I do not believe that we have to end up in catastrophe. I am simply relying on the fact that the majority of people have common sense.

[Reporter] Mr. Prime Minister, you were in Olomouc yesterday and you met top representatives of district offices and mayors from several districts. On Sunday you turned with a message to a club of mayors of Civic Forum. Prior to that, you went to Tabor. It is thus obvious that these meetings are important to you.

[Pithart] Yes, one of the priorities of the Czech Government, apart from the economic reform, is the renewal of self-administration. We attach equal significance to both. Only a functioning self-administration will make citizens out of us. It is a kind of practical education in citizenhood. After all, there is quite a difference if we can be involved in deciding on the life of our village. If we can, interest in public affairs is awakened in us. We will find a responsible attitude toward them. We will simply become citizens.

[Reporter] Elections of local authorities took place in our country last autumn. Can we say that self-administration in our country is functioning?

[Pithart] Yes, it is working, but for the time being it is very limited. Generally, town representations are dependent on the republican budget, and it is very meager. For the time being, they cannot directly conduct their economy with their own resources, because the tax system is only just being created. The Czech Government will try to speed up this process. Maybe it will be necessary to speed it up by an entire year. When our representations become independent economists, I believe that life will return to our towns and villages.

[Reporter] Mr. Prime Minister, what will land self-administration look like?

[Pithart] You may have in mind the question of Moravia and Silesia, possibly the land of Moravia and Silesia. Yes, this question is now being tabled with great emphasis. But let us not forget that true self-administration always grows from the botton, [words indistinct] basic level. Regarding Moravia, strong tension exists. Some even talk about a Moravian crisis. In my opinion, one of the causes, and perhaps the most important one, is a certain frustration and strong disappointment regarding self-administration at the basic level. It is perhaps Brno that experiences this disappointment most strongly. It is a city that is in acute need of a functioning self-administration, but not the limited kind. Brno needs its own resources and needs to deal with them in its own way. Unfortunately, here we have ascertained a need that exceeds possibilities. I am sure that with full functioning of self-administration, a number of internal political problems will be solved, so to speak, by the city's own efforts.

[Reporter] Mr. Prime Minister, allow me yet another question. What have you to say on legislative screening?

[Pithart] I followed the session of the Federal Assembly on television very attentively, and I must say I have certain reservations. It is a pity that the task for the commission was worded in such a way that self-defense of some deputies could be heard only in the legislative hall. I am asking myself whether the appropriate commission would have decided in the same way if it heard them before. However, I am pointing out that not all of

the self-defenses would be equally credible. In this connection, I remember that when last year the post of minister of the interior became vacant, one of the 10 deputies came to me and demanded this post very vehemently. That was a somewhat strange experience—having someone ask for a ministerial post. I carry this experience deep in my memory. The person in question claimed that he had the support of all the regional administrations. His vehemence was quite unusual, and I confess that it was not, perhaps, suspicious to me, but strange, anyway. But I do not really want to deal with individual cases. I want to say that we do not (?need any more purification). Something like that simply needed to be done.

Screening, however, should be understood as a preventive measure. Its manner and, in the main, people's understanding of it, unfortunately remind one too much of a punitive legal matter. Something like guilt, accusation, punishment is being presumed. I would like to cite all these words in quotation marks. I am afraid that this is how it was understood not only by the commission, but also by the deputies, those who underwent screening, as well as those who have not, the media, and in the long run also the public. If we could take it in a more practical and sober way, there would be less embitterment all around.

[Reporter] Last question, Mr. Prime Minister. Minister of Finance Vaclav Klaus has recently criticized the Czech budget compared to the Slovak and federal budgets.

[Pithart] Yes, it has been said that our budget carries, so to speak, a minus sign, while the federal and the Slovak budgets carry a plus sign. However, after the first few months, one cannot claim anything like that at all. The explanation is easy. The budget of the Czech Republic should give towns and villages 17.7 billion korunas in the form of subsidies. Inasmuch as the taxes that they receive are necessarily delayed, they have already received over 8 billion in the first two months, that is almost 50 percent. The Slovak budget should give towns and villages 6.1 billion korunas, but in the first two months they only received 323 million, that is, just over 5 percent. Simply a different way of subsidizing towns and villages has resulted in this situation after the first two months. But things, indeed, only appear that way. Naturally, we will not exceed the overall sum of subsidies, and the Slovak Government will now have to gather speed in subsidizing towns and villages.

[Reporter] Mr. Prime Minister, thank you for your interview.

Deputy Prime Minister Addresses SNR on Meciar

AU2603185291 Bratislava NARODNA OBRODA in Slovak 21 Mar 91 p 7

[Speech by Slovak Deputy Prime Minister Vladimir Ondrus before the Slovak National Council (SNR); place and date not given: "The Real Truth Is Simple"]

[Excerpts] Esteemed Slovak National Council!

I contemplated the idea of speaking here today for a long time, and it is not easy for me. For more than a year I have had the opportunity to work with Mr. Meciar, prime minister of the Slovak Republic, and I have not kept secret my admiration for his abilities. I appreciate the work he has done for Slovakia. However, I cannot identify with his disrespect for democracy, his contempt for democratic principles of political life. I cannot keep quiet and come to terms with this. It is without any regard to my membership in the Public Against Violence movement, and it would not make any difference if I were in the Christian Democratic Movement, Slovak National Party, or any other party.

The story of Mr. Meciar is a story of a man who gets carried away by the fight and uses dirty tricks. It is a story of a man who is after power beyond control and is willing to use any means and crush those in his way. It is a case of failing, of human weakness, and therefore I do not enjoy talking about it. Yet, on occasion, one must say that the emperor has no clothes on, even if it hurts and people do not want to believe it. [passage omitted]

About a week after the republican assembly, at which he was not elected the chairman of the movement, Meciar ceased to feel bound to the movement and accused it of totalitarian practices, only because it requires cooperation, accountability, and political responsibility, i.e., that which is a matter of course in every political party and movement. Suddenly, he is responsible to the nation alone. This is because checking responsibility on such a level is difficult.

Hence, for his personal ambitions, his personal power, Mr. Meciar is willing to disrupt the movement, the government, and all of Slovakia. Moreover, at a news conference on Tuesday [19 March], he contemplated aloud that he could turn to the workers who would use even the most extreme means. Against whom?

Against the freely elected Slovak National Council? Mr. Meciar speaks of a conflict within the Public Against Violence movement as a conflict of different opinions. Yet, it is not a difference of opinions. He could have expressed those at the Public Against Violence assembly. This is a struggle for democracy within the movement as well as throughout society. It is a struggle for a personal power above any control. It is a struggle for a power of a leader over the nation. Mr. Meciar, in his attempts to gain the controlling power, does not care about the means. Although he is known as an opponent of vetting who always cast doubts on the process, when needed, he did not hesitate even in the legislature to indirectly accuse Mr. Markus of collaboration with the State Security. At the time, nobody asked him for the source of the information, and nobody asked for proof. Will the deputies be afraid to ask questions in the legislature? [passage omitted]

Today, many people in Slovakia are anxious. Many object to the conclusions of the Public Against Violence

Slovak Council, but one must tell the truth: In political life, the people who are not checked upon and who do not wish to be checked upon are dangerous. They are dangerous in their abilities, their ambitions, their methods, and there are no higher goals, even national interests cannot be such a goal, that the end would justify the means. To love political leaders is a tragic error paid for by human experience. One can esteem politicians, one can trust them, but one must check on their promises, statements, and deeds.

Many strong words, half-truths, and lies were heard recently; conspiracies and coups are made up, devilish attacks of Czechs and Hungarians against the Slovak nation are being discovered. I am convinced that the actual truth is much simpler. A man and an able politician did not pass the test of exhausting work and, personally, I am sorry for it.

Havel Draft Constitution 'Unacceptable' to Slovaks

AU2603220391 Bratislava NARODNA OBRODA in Slovak 22 Mar 91 p 1

[Text] Bratislava— The Presidium of the Slovak National Heritage Foundation Committee made available to CTK its standpoint on the draft CSFR constitution submitted to the public by President V. Havel. It states that the draft is essentially based on the present model of a solution to the constitutional relations between the Czech Republic and the Slovak Republic, a model that has been rendered obsolete by development; is clearly aimed at the establishment of political centralism based on federal bodies; and pursues the aim of building a centralized presidential system of power. The Slovak National Heritage Foundation regards the proposed model as unsuitable and unacceptable to the Slovak nation. It considers the method of building relations from above inadequate.

World Congress of Slovaks Demands Havel Apology

AU2603123991

[Editorial Report] Bratislava SMENA in Slovak on 22 March on page 1 publishes a 400-word "open letter" that Marian Stastny, president of the World Congress of Slovaks, addressed to CSFR President Vaclav Havel on 19 March. In the letter Stastny protests against statements on the situation in Slovakia made by Presidential Spokesman Michael Zantovsky at a news conference on 11 March. In particular, Stastny objects to Zantovsky's words about a new Slovak coalition of communists, separatists, and admirers of the 1939-1945 Slovak state; about the revival of the ideas of national socialism in Slovakia; and about preparations for the declaration of Slovak sovereignty by "unconstitutional means." According to the president of the World Congress of Slovaks, Zantovsky's statements "constitute hateful propaganda, an affront to the Slovak nation, and a denial of its democratic and constitutional rights." Stastny concludes his letter by saying: "Mr. President, I demand in the name of Slovaks living abroad that you personally deny your spokesman's statements and that you publicly apologize to Slovaks for the damage done to their good name."

Foundation Chairman Sees Vetting as Conspiracy

AU2703121491

[Editorial Report] Bratislava SMENA in Slovak on 23 March on pages 1 and 2, under the headline "Irksome Head of Foundation," publishes a 500-word interview with Jozef Markus, chairman of the National Heritage Foundation, by SMENA correspondent Emilia Boldisova on Markus's alleged collaboration with the State Security. The place and date of the interview are not given. Markus declares that the State Security showed interest in him as early as at the end of the 1960s and in the 1970s because of his activities in the church, but he denies that he had ever even been asked to collaborate. According to Markus, "the current vetting campaign is an attempt by the actual State Security collaborators to compromise the irksome people—even defying all human rights guarantees in the process."

Meciar Stresses Importance of Foreign Relations

AU2603132391 Bratislava PRAVDA in Slovak 23 Mar 91 p 2

[CTK report: "Thou, Who Cometh With Good Intentions"]

[Text] Modra-Harmonia [near Bratislava]—A news conference with Vladimir Meciar, prime minister of the Slovak Republic, began in Modra-Harmonia yesterday evening. V. Meciar welcomed foreign journalists, for whom the conference was mostly intended. He emphasized that, following the fall of the military and political blocs, Slovakia opens itself to everybody who comes with good intentions. He pointed out that the strategic location between Germany and the USSR predetermines that Slovakia can find political guarantees only in balanced relations with both these countries as well as in good relations with Great Britain, France, and Italy.

1991 Data Reveal Decline in Slovak Economy

AU2603130991 Bratislava PRAVDA in Slovak 23 Mar 91 p 3

[CTK report: "Everything Declines (but the Prices); the Slovak Economy in the First Two Months of the Year"]

[Text] Bratislava—The production of goods manufactured in the Slovak Republic over the first two months of the year declined by 8.7 percent in comparison with the same period of last year. As the preliminary data of the Slovak Statistical Office on the development of the economy in the Slovak Republic during the first two months of the year indicate, 16 out of the 19 surveyed sectors produced less than during the same period last year.

The relatively largest decline in comparison with the previous year was recorded in electrical engineering and electronics—10.2 percent.

Of all the main kinds of animal products, only poulty showed a purchase increase—2.1 percent. The purchase of 58,000 tonnes of slaughter animals represents a 31.3 percent decrease in comparison with last year. This includes a 45.9 percent decline in the sale of beef. However, when compared with this January, the dynamics in the purchase of beef accelerated by 4.3 points. One of the reasons for this development is the change in procurement prices guaranteed by the Ministry of Agriculture and Food of the Slovak Republic. There was 18.3 percent less milk and 38.9 percent fewer eggs bought than last year.

The volume of construction work, according to supplier contracts, declined over the first two months of the year by 36 percent when compared with the same period of last year.

Over the two months, selected marketing enterprises in the Slovak Republic realized a retail turnover of 13.8 billion korunas, i.e., 6.6 percent more than over a comparable period last year. This is a result of the price increase.

According to the Labor Office records, at the end of February, there were 77,570 unemployed, i.e., 29.3 percent more than in January of this year. Of the aforementioned number of unemployed, 56.1 percent were laborers. The unemployment rate at the end of February rose above 3 percent.

Horn Proposes Solutions for Debt Issue

AU2703101891 Budapest NEPSZAVA in Hungarian 23 Mar 91 p 3

[Interview with Socialist Party Chairman Gyula Horn by Szabo; place and date not given: "Our Creditors Are Also Responsible—Gyula Horn Sees A Solution"—first paragraph is NEPSZAVA introduction]

[Text] A U.S. government official said recently to one of the Hungarian dailies that the Hungarian Government had not taken any steps with the U.S. Government to ease the Hungarian debt burden. He also said that the U.S. would gladly discuss this if the Hungarians showed any interest in the matter. This information is all the more interesting because, at a recent news conference, Hungarian Socialist Party [MSZP] Chairman Gyula Horn criticized the Hungarian Government for thinking along the same lines on the issue of debt servicing, although to ensure Hungary's viability, one should not recoil from new approaches and unusual solutions that might seem unacceptable at the beginning.

[Szabo] What do you mean by this?

[Horn] As early as in November 1990, I came up with the proposal for the government to ask for a five-year moratorium on servicing our debts. I am convinced that our economy could achieve a spectacular development in five years if we consistently developed our market economy. Our domestic financial experts firmly rejected this proposal. There were times when credits were almost forced upon the prevailing national leadership to ease Hungary's dependence on the Soviet Union. Of course, this was good business for the creditors, too. That is why I think that those who gave us credit at the time are also responsible. Thus, the countries and financial circles that contributed to our current economic situation have a responsibility to help us.

[Szabo] In your opinion, how could they help?

[Horn] By canceling part of our debt. It is not an argument for me that 75 percent of our debts are connected with private banks. For example, at the time of the great crisis in Mexico, the finance minister discussed the tasks with 200 private banks. I also do not regard it as impossible for some governments to assume part of the debts owed to private banks. Let us take one of the big problems facing Hungarian agriculture: There are 2 billion tonnes of unsold wheat lying in store, and this can only be sold on credit nowadays, but the Hungarian Government is presently unable to finance this. What foreign sources could be available? For example, the sum of about $5 billion owed to us, which is part of our gross debt. By promptly assuming these debts, the large Western banks could finance our sales of wheat and food to the Soviet Union. A new way of thinking and a new approach could be based on the completely new situation prevailing today. There is readiness for a new type of aid. I am saying all this because I discussed the matter with Germans, Japanese, and Americans. We will not lose the confidence of the international financial world by seeking rational solutions.

Soviet Ambassador Discusses Bilateral Relations

AU2603221391 Budapest MAGYAR HIRLAP in Hungarian 23 Mar 91 p 7

[Interview with Soviet Ambassador Ivan Aboimov by Dezso Pinter; place and date not given: "Seeking Conflicts Has Never Led to Anything Good"—first paragraph is MAGYAR HIRLAP introduction]

[Excerpts] "Although one has always been able to accumulate political "good points" by being anti-Soviet, one cannot rely on this for building a long-term policy. This leads to a dead end and can turn against the one who uses it just like a boomerang"—Ivan Aboimov said. As for the inevitability of all that happened in the Hungarian-Soviet relations last year, Aboimov said that all that was not inevitable. If bilateral dialogue had been intensive enough from the very beginning, we could have avoided the increase in our commercial problems and several other negative phenomena. "For several reasons, our fate is to cooperate normally and forcefully because, no matter what changes will take place in the two countries, there are basic and objective factors that bind us together."

[Pinter] You spent many years in Budapest even prior to your appointment as Soviet ambassador, but that was another Hungary in many respects. Has it been difficult to create new relations?

[Aboimov] Naturally, the creation of new relations is not a simple process, and there is nothing surprising in this. Our relations will be based on totally new factors: balance of interests and a partnership of equal rights. However, it would be an illusion to believe that we can change everything that has been working for the past 40 years quickly and painlessly. [passage omitted]

[Pinter] What are your relations with the Hungarian political figures? How often do you meet and consult?

[Aboimov] In my opinion, my contacts with Hungary's highest-ranking political leaders are extremely correct and objective. Naturally, the frequency of our meetings is determined by the need and the issue in question. [passage omitted]

[Pinter] Following the announced disbanding of the Warsaw Pact, every former member state is striving to work out new security guarantees. What requirements have been formulated in the Hungarian-Soviet relations?

[Aboimov] This is quite clear in principle. The Hungarian side would like to receive guarantees from the Sovie Union that it will never threaten Hungary's security, and the Soviet Union would like to receive guarantees that nobody will ever threaten its security from Hungarian territory. [passage omitted]

[Pinter] Obviously you are also aware of the political analyses according to which the Soviet Union is not interested in the Central-Eastern European countries having more settled relations among themselves. What is your opinion about this?

[Aboimov] In my opinion, there is no basis for this assumption. As for the relations between the Soviet Union and the aforementioned countries, let me give you a very recent example. A meeting was recently held in the Soviet Foreign Ministry with the participation of Soviet ambassadors accredited in Eastern European countries. The issue was how to better adjust our relations to the new situation in Central-Eastern Europe and what to do to achieve fruitful relations with the countries in this region. We are determined to continue our efforts to renew our cooperation on the basis of good-neighborliness, equality, mutual advantages, recognition of the peoples' right for self-determination, and taking our abilities into consideration. [passage omitted]

[Pinter] How does Moscow regard the Hungarian Government's efforts of political and economic integration?

[Aboimov] We regard this as the efforts of a sovereign government that has the right to choose its own political line in all the areas.

I would only add here that, in my opinion, the road for each's country's development lies in its adjustment to world economy and the various structures of international cooperation. [passage omitted]

[Pinter] It is difficult to predict the Soviet domestic policy, especially from Budapest. There are many people in Hungary who fear a negative turn and a possible undesirable situation in the Hungarian-Soviet relations. To what extent do you regard these concerns as realistic?

[Aboimov] You are taking me toward hypothetical analysis, something unfortunate both in politics and diplomacy. We feel that, just like everywhere in the world, most people in Hungary are interested in the continuation of the Soviet reform process in a democratic way, without upheavals and negative consequences for other countries. The Soviet people and the Soviet president are interested in the same thing. We are absolutely aware of our responsibility to the world at large. We are sure that we will solve our problems and will carry out everything we have started.

[Pinter] Hungarian foreign policy has taken a firm line regarding the Baltics. How does Moscow react to these manifestations?

[[Aboimov] We are interested in developing the relations between Hungary and the various federal republics in the Soviet Union. We know that these relations complement and enrich the Soviet-Hungarian interstate cooperation and also serve the interests of the Soviet republics and of the Soviet Union as a whole. However, the political relations with the Baltic republics now have a special character unfortunately. These relations must be evaluated in a special way. We highly appreciate the activity of the Hungarian partners who show understanding toward this sensitive situation and try not to exacerbate it.

We agree with those countries that believe that their relations with the individual Soviet republics cannot develop at the detriment of the interests of the Soviet Union as a whole. [passage omitted]

Cabinet Meets on Engineering Exports to USSR

LD2603202191 Budapest MTI in English 1932 GMT 26 Mar 91

[Text] Budapest, March 26 (MTI)—The economic cabinet met in Budapest on Tuesday to discuss an official report on the position of 24 mechanical and chemical engineering companies affected by forced cuts in exports to the Soviet Union. The final conclusion of the report was that it would be of no help to the companies concerned were the treasury to cover part of the extra expenditure. Should the Soviets open the required letters of credit, most of these firms will be liable for export pre-financing bank credits. Sustained payment difficulties on the Soviet side are likely to result in a considerable drop in output and occasional job losses. The companies concerned must work out their own coping strategies for a changing market.

Review of Nation's Changing Defense Industry

LD2603230891

[Editorial Report] Budapest Domestic Service in Hungarian at 1905 GMT on 26 March broadcasts a 30-minute program on Hungary's changing defense industry. The program is introduced by reporter Edit Szentgali who presents statistics on recent cutbacks in the defense industry. She notes that since 1988, the Hungarian parliament has reduced the defense budget by several billion forints, justifing this by the worldwide political thaw and by the burden of Hungary's economy. In the more rigorous financial conditions, she says, the managers of many of Hungary's enterprises involved in the defense industry have asked for state assistance but they have been encouraged to change their production profile instead.

Szentgali goes on to say that according to a study by the Hungarian Economic Chamber, 38 enterprises of mixed profits manufactured military products in the past years: they either face or are undergoing bankruptcy, and only the lucky few are offered financial rehabilitation, or are able to survive on their own resources.

Szentagli then interviews Arpad Adorjan, director of the Godollo Machine Factory, which is under the administrative supervision of the Defense Ministry, and whose revenues came almost totally from the repair and renovation of tanks and from manufacturing tank components. In reply to her question concerning the future of the remaining T-34 and T-35 armored vehicles, Adorjan

explains that the main problem is that owing to the appearance of new types, the Godollo factory's stocks are obsolete. Such stocks are so specialized they cannot be sold, and this is where the enterprise's money lies. He estimates that the army is still burdened by some 400-600 such tanks. Earlier plans to convert the machine-factory into a car assembly plant in cooperation with Citroen failed to materialize, but the factory has not given up the idea of involving itself somehow in the manufacture of road vehicles. Talks are under way on possibly producing components for the Suzukis to be manufactured in Hungary, and the factory is also negotiating with Land Rover, Adorjan says.

An interview is next with Janos Latolcai, acting managing- director of the Arms and Gas Appliances Factory, which has also manufactured civilian products and which marked, but did not celebrate, its centenary a month ago. The factory faces bankruptcy not because its products cannot be sold, but because over the past years it accepted investment and maintenance loans involving interest-burdens that it cannot finance at the moment. In the mid-1960's, weapon-manufacturing was predominant in the factory's activity, but by the mid-1980's the manufacture of gas appliances became the determining activity. The halt to military weapons manufacture took place in 1989, and since the end of that year the factory has not manufactured military weapons.

The sole defense industry enteprise to be financially rehabilitated is the Esztergom Laboratory Instruments' Industry works, Szentali goes on, because the organization that carried out the rehabilitation deemed that the successor enterprises here had the opportunity to function in settled circumstances. Laszlo Redei, head of the financial rehabilitation organization, explains that by rehabilitating this firm it was necessary to provide it with a new profile in which its previous investments could be utilized, thus also constituting a resource for repayment. He explains that the Esztergom firm was chosen for rehabilitation while enterprises such as the Diosgyor Machine Factory in Borsod, where unemployment problems are more pressing, will have to be wound up because the financial prolems there are too great to be sorted out by the rehabilitation means chosen for the Esztergom Works.

The Mechanikai Laboratory is faring worse this year than last, Szentgali says, and has orders for only 30 percent of its production in 1991. However, its managers are optimistic for the future. Gyorgy Valyi, commercial director of the firm, speaks about how he envisions government assistance in order to facilitate the transaction of deals in defense-electronics. Joszef Bodi, the firm's director, explains his firm's relative success compares to the situation of other defense industry enterprises by the fact that the Mechanikai Laboratory's products are modern and solely self-developed, while the other defense industry firms manufacture products on the basis of Soviet licences.

Karoly Janza, head of department in the Ministry of Defense, is then interviewed about his prognoses for the future regarding Hungary's defense industry.

Szentgali says: "I asked Major-General Karoly Janza, head of the Defense Ministry's defense economy department, what they suggest now to the military industry? What should they produce and how much?

Janza replies: "It must be recognized that a considerable number of enterprises produce with out-of-date technology and manufacture products that are obsolete. The world arms market will not react to these. Therefore, there is a silver lining to the cloud. It prompts Hungarian military industry activity to change technology. It is necessary to recall that the Hungarian Army is supplied with almost exclusively Soviet types of weapons. A large proportion of these were imported from the Soviet Union, some of them were from the Warsaw Pact's former member states, and only a small proportion, some 20 percent of the military equipment, came from the Hungarian military industry. This dependence, in my view, can no longer be maintained in the present conditions. Despite this, big systems are at issue here. Considerable sums of money lie in them, and they definitely still serve the country's security. However, this dependence cannot be allowed to continue. To this purpose, it will be necessary for us to switch over when the economic conditions for this have been created.

"We envision the changeover as some 30 percent of military technology continuing to come from Eastern relations, 30 percent coming from Western relations, and 30 percent manufactured by Hungarian industry. Of course, this is not how the figures will develop; obviously there will be shifts, because we do not know how the Hungarian military industry will recover from this crisis, or what assistance it will be given for this recovery. Apart from this, we do not know whether the currently existing sympathy from the Western countries will change in the future and the level at which military industry cooperation with them will be realized.

"Neither at present, nor in the future will the Hungarian Army be in a situation where it can guarantee orders for the Hungarian military industry that are suited to economic serial production. Obviously, if the Hungarian Army needs some kind of product, then it is also expedient to arrange the export of these products. We would seek the Western enterprises that are willing to engage in joint manufacture with certain units of the Hungarian military industry; we would offset the price of the means of military technology the Hungarian Army wishes to use either by return deliveries of the product's components or by deliveries of part-units."

Szentgali then says: "Speaking with enterprise managers, even with those who are in difficult situations, properly speaking they still hold in reserve the markets of the former socialist countries. They think that these relations will be revived."

Janza replies "That idea is not unrealistic, since every former socialist country has ended up in an identical situation because of the obsolete military technology, the conserved technology, so they must seek a way out. The elimination at one blow of the culture of military industry, no matter which country we view, would constitute bankruptcy for the national economy. There is a future for cooperation in the military industry of the small countries of central-eastern Europe or the former socialist countries of Europe. However, this future can be realized not on this technological level, but on an up-to-date, more developed technological level. Mr. Fur [Hungarian defense minister] visited not only Britain, but as is known, he has promoted the conclusion of bilateral military agreements; we have already concluded such a bilateral agreement with the Romanians. Generally, these agreements with the neighboring countries extend to every form of cooperation, thus to military industry, military economic cooperation as well, precisely in order to facilitate the unfolding I mentioned above—not on the basis of the principle of one goose for one horse [egy liba—egy lo] which was characteristic until now, but at the level of some kind of higher technology, higher cooperation, God willing, even at the level of development."

The program concludes with an interview with Bela Takacs, member of the defense secretariat in the Ministry of Industry and Commerce, about the way in which his ministry could help the defense industry enterprises in straitened circumstances.

Takacs says: "We are trying to help bring the enterprises together with interested parties from abroad. We have the following possibility, that the ministry will conclude agreements with enterprises, for technical development. These, to a small extent, will constitute support for technical development; to a large extent they will constitute credits at preferential interest and to another extent they will constitute credits at normal interest. A third thing perhaps of principled significance, but important regarding the future: We are participating in an analysis of which product groups can be exported to which countries in the future. It is quite clear that the decision on this is a political issue."

Szentgali asks: "Will we leave this entirely to the market in the future?"

Takacs replies: "Nowhere in the world is this left entirely to the market. Naturally, a basic condition is that the given enterprise should be economical. But it is natural that in this genre, and this is so throughout the world, certain political considerations must be asserted."

Szentgali asks: "How do you view our military industry at present? What will the picture be in, let us say, 10 years?

Takacs replies: "I think that, as in Hungarian industry overall, there is a need here, too, for the enterprises to turn into companies and for privatization in many cases. A study has begun in the Ministry of Industry and Commerce that analyses the extent to which it is necessary to maintain state property, regarding the military industrial basic activity at some enterprises and whether it is necessary to maintain restrictions, curbs, on privatization.

"As for the question of what the Hungarian military industry will be like in the future, earlier it was characterized by having produced, for the most part, electronic products. I think that this tendency will continue in the future. Thus, there will be fewer products of a weapons, or vehicles or whatever, and the products of electronic nature will be increasingly characteristic."

Government Refuses Soviet Troops Crossing Rights

LD2603191391 Warsaw PAP in English 1506 GMT 26 Mar 91

[Text] Warsaw, March 26—The Polish Government plenipotentiary for the stationing of Soviet forces in Poland refused permission on March 25 for a column of 40 Soviet military vehicles to cross into Poland from the Soviet Union, GAZETA WYBORCZA reported today. The Polish border guards at the Kukuryki border crossing in the Biala Podlaska Province were advised by Soviet military personnel travelling in three military vehicles (one equipped with a radio transmitter) that the column was to cross the frontier in the afternoon. Their spokesman gave no details as to the dead weight of the vehicles. Since the Polish authorities had not been advised beforehand of the planned passage, the frontier guards notified the Polish Government plenipotentiary. He refused permission for the convoy to cross into Poland, since the military agreements between Poland and the Soviet Union require that such a large transport may be moved only by rail. A road transit is permitted only following prior authorisation. The border guards later told GAZETA WYBORCZA that the convoy did not materialise, although the three military vehicles continued to wait for it.

Ostrowski Interviewed on Soviet Withdrawal

AU2703102791 Warsaw RZECZPOSPOLITA in Polish 23-24 Mar 91 pp 1, 7

[Interview with General Zdzislaw Ostrowski, government plenipotentiary for affairs concerning Soviet troops in Poland, by Maria Wagrowska; place and date not given: "The USSR Wants To Pull Out by the End of 1993"]

[Text] [Wagrowska] You attended the last round of talks between Poland and the USSR in Moscow on 19 and 20 March on the subject of the Soviet forces in Poland. What progress was achieved concerning their pullout?

[Ostrowski] We concentrated on the transit through Poland of the Soviet troops due to leave the territory of the former GDR. This transit and the withdrawal of the Soviet troops from Poland are mutually connected. As soon as the withdrawal of the troops from Poland commences, Poland will agree to the start of the transit movements from Germany. We learned that by 28 March, the Soviet Union is to make a formal application to us for the use of 800 railroad carriages so that it can begin the removal of supplies in April. Although that does not represent the beginning of the Soviet pullout from Poland, it is a prerequisite for the beginning of the transit from Germany. The Polish Government is to adopt a stance within the next few days.

[Wagrowska] Why in the next few days?

[Ostrowski] Because the Soviet side expects that as soon as it has applied for the railroad carriages, the Polish side will give the go-ahead for the transit to start on 1 April, and the next round of talks is scheduled to take place after that date.

[Wagrowska] Does that mean that the Soviet troops in Poland will leave by rail, just like the ones leaving Germany?

[Ostrowski] Most of the forces, 80 to 85 percent, will be withdrawn by rail. Individual transports may proceed by road. One must also expect movements by road between the Soviet bases and the railheads.

[Wagrowska] From where would Poland like the Soviet troops to be withdrawn first?

[Ostrowski] We still expect a withdrawal in 1991. [answer as published]

[Wagrowska] But there is still no schedule for it, not even an outline.

[Ostrowski] The percentages of forces to be withdrawn each year have already been established. The Soviet side plans to withdraw 20 to 25 percent of its forces, i.e. about 10,000 men and 30,000 units, in 1991, between 35 and 40 percent in 1992, and the same percentage in 1993. Thus, the USSR would like to extend this process over two and a half years.

[Wagrowska] Which units would be the first to go?

[Ostrowski] If I understand correctly, the first unit the Soviet Union wants to withdraw in 1991 is the warfare command center in Legnica, which controlled every unit in Poland, Germany, and Czechoslovakia, plus several other pioneer, supply, and missile units. The Soviet Union does not want to withdraw any combat units except for one air squadron in Brzeg, whereas Poland wants combat units to be the first to go because it is these units that cause the greatest inconvenience to our society, such as the air force units in Brzeg, Szprotawa, Stara Kopernia, Legnica, and Zagan. In reply to my suggestion, General Dubynin, commander of the Northern Group of Forces, has said that the Soviet Union will consider withdrawing more air force units.

[Wagrowska] Why does the Soviet Union not wish to withdraw its combat units first? What reasons does it give?

[Ostrowski] Because there is nowhere to put them, no barracks and no airfields.

[Wagrowska] But there is somewhere to put the engineering units?

[Ostrowski] Evidently there is, probably because these units are smaller. Another reason given by the Soviet Union is a shortage of housing, mainly for officers and their families, and I think we should take this factor into account for humanitarian reasons, even though this is a Soviet problem, not ours. We are also waiting for the

accommodation occupied by Soviet families in Poland to be vacated, and we should appreciate the problem.

[Wagrowska] Do you not think the reason why the Soviet Union is unwilling to withdraw quickly from Poland is because of the importance that the Soviet military apparatus attaches to the USSR's great power status and because disarmament commitments have not been met?

[Ostrowski] I do not see why that should be the case.

[Wagrowska] A controversial issue is the fact that the Soviet Union has refused permission for a Polish team of inspectors to check Soviet bases for the presence of chemical weapons. Are we going to reapply for permission?

[Ostrowski] Yes. We would like to carry out this inspection at a time and place unknown to the Soviet side, i.e. a "surprise inspection. General Dubynin has already agreed.

[Wagrowska] There are also rumors that the withdrawal of individual Soviet units has been arranged on the basis of agreements concluded between the Soviet command and the administration of the voivodship in which the relevant unit is situated.

[Ostrowski] That is a misunderstanding. Withdrawal can only occur on one single basis created by the central agreement.

[Wagrowska] Has the problem of Polish civilians who suffered harm at the hands of Soviet soldiers and their families been resolved? After all, some people died.

[Ostrowski] All these matters have either been settled or are in the process of being settled.

[Wagrowska] Regardless of how long the Soviet forces stay in Poland, the question of their legal status in Poland is yet to be resolved.

[Ostrowski] Their present status is defined by rules established on 17 December 1956 or agreements concluded with individual ministries slightly later. These rules bear absolutely no relationship whatsoever to the Poland of today and our present legal, financial, and ecological legislation, therefore it is necessary to negotiate with the Soviet side new rules applicable to the forces due to remain in Poland until the end of 1993 according to the Soviet timetable. I repeat, the Polish Government has still not spoken out on this subject. The establishment of new rules is essential for the sake of a good climate in our relations. The Soviet units in Poland cannot be immune to Polish law. They are already enjoying conditions far more favorable than the ones in the Polish Army, which has to pay for everything.

[Wagrowska] So what are the Polish side's demands?

[Ostrowski] Virtually everything has to be changed, because so far the Soviet Union has only paid maintenance costs. As far as rent is concerned, it has only been paying 50 percent rent, and only at 1975 rates. It does not pay any fines for damaging the environment and utilizing agricultural land, training areas, and so on. The bills for all this must be settled in hard currency, just as in trade.

[Wagrowska] What about Poland's claims for the losses it has suffered for almost 50 years?

[Ostrowski] We wish to list them, therefore the Office of the Plenipotentiary is now asking various government economic offices to perform calculations. These will take into account the losses incurred due to reduced payments, an absence of payments altogether, the impossibility of using the land occupied by the Soviet forces, and all the different kinds of physical damage. That should provide an overall picture of the costs.

[Wagrowska] But that will result in an astronomical sum of money.

[Ostrowski] Yes, but on the other hand the Soviet Union has built thousands of buildings in Poland out of its own money and resources. These will be valued and bought by Poland as long as they conform to our building regulations. We want to balance the account. On the Polish side there is a desire to clear the account altogether and bid farewell to the Soviet Union as a partner with whom we will coexist to mutual advantage and develop mutual relations. But we cannot forsake our interests. In article three of the 1956 treaty, the Soviet Union committed itself to an observance of Polish legislation, therefore the continued presence of the Soviet Army must be based on the legislation adopted or amended since that year.

Pact Military Structures No Longer Functioning

LD2603142891 Warsaw Domestic Service in Polish 1400 GMT 26 Mar 91

[Text] None of the Warsaw Pact military structures is functioning in an official capacity, National Defense Minister Piotr Kolodziejczyk reported during a break in the government meeting today. On 17 March the Soviet Pact representatives left Poland. Our representatives in Moscow officially ended their activities in mid-March. They will return to Poland by the end of the month.

Skubiszewski on German War Reparations

LD2603134391 Warsaw Domestic Service in Polish 1300 GMT 26 Mar 91

[Text] In response to a question by Deputy Jozef Oleksy, Minister Krzysztof Skubiszewski has said that some 40,000 former concentration camp prisoners and some 700,000 former slave laborers are living in Poland. The minister stated that the FRG's regulation of the compensation problem is encountering serious obstacles. The Germans reject the claims of Polish citizens, citing Poland's renunciation of war reparations in 1953 as well as the expiration of claims. In 1989 Poland proposed the creation of a foundation to distribute resources among

the victims. Chancellor Kohl's recent pronouncements show that the German Government has now made a decision on holding talks on compensation, Krzysztof Skubiszewski stated.

Kolodziejczyk on Budapest Cooperation Accord

AU2603181091 Warsaw GAZETA WYBORCZA in Polish 21 Mar 91 p 1

['fed'-signed report: "Polish-Hungarian Military Accord"]

[Text] An accord on military cooperation between Poland and Hungary was signed in Budapest on Wednesday [20 March] by Defense Ministers Rear Admiral Piotr Kolodziejczyk and Lajos Fuer.

The accord, which takes the form of a bilateral agreement, provides for the exchange of experience, assistance in training officers, and the purchase of equipment. On his return from Budapest, Defense Minister Kolodziejczyk told GAZETA that "we have a common interest in speeding up the disarmament processes that were initiated in Vienna—that is our most important task and the best recipe for ensuring security in Europe."

The signing of an accord with Czechoslovakia in February makes the accord with Hungary the second document of this kind. Asked whether there was any possibility of a similar accord being concluded with the USSR, Kolodziejczyk replied that that was likely, but not before a treaty on cooperation and good-neighborly relations had been signed.

Kolodziejczyk stressed that Poland was ready to consider contacts with other countries and not just its immediate neighbors. He said that "we are interested in military cooperation with all of Europe."

Walesa's New York Activities Reported

LD2603141691 Warsaw PAP in English 1312 GMT 26 Mar 91

[Text] New York, March 26—Shortly after arriving in New York President Lech Walesa met with representatives of computer firm IBM, and learned from them about the firms investment plans for its Polish operations.

Later, Walesa was greeted at the World Jewish Congress (WJC) by leading figures from its constituent organisations. WJC leader Edgar M. Bronfman presented the president with an information letter on the establishment of the North American Consortium for Free-Market Studies, which will annually run 12-month study courses in economics at U.S. and Canadian academic institutions for several hundred persons from the countries of Central and Eastern Europe.

In his speech, Bronfman expressed the highest admiration for the first democratically-elected president of Poland and recalled the role Walesa played in the overthrow of totalitarianism and communism. "For that, the whole world admires and thanks you," Bronfman said.

In a long address preceding the discussions with the leaders of the WJC, Walesa made clear that "Poland must be a state of tolerance, a good home for all who live in it."

Walesa added: "I am ashamed at the examples of anti-Semitism, even though they are a marginal phenomenon in our country. I will not permit any anti-Semitism in Poland".

The president appealed to those present to work with him "through which we can get to know each other and come closer together, much better than from textbooks."

The meeting ended with bravos for the Polish president, and the message "God bless you."

President Walesa later went on to the headquarters of the United Nations Organisation and met the U.N. Secretary General Javier Perez de Cuellar. The 45-minute meeting was not simply a matter of protocol. The secretary-general made reference to Poland's active role at the U.N. and expressed the opinion that the U.N. system would participate in building Polands economic infrastructure.

Walesa referred to the role of the U.N. and spoke of the possibility of involving specific U.N. programmes in the development of the Polish economy.

The conversation was not limited to Poland, but covered all the countries of Central and Eastern Europe.

Afterwards, there was a meeting with the heads of the permanent missions of the U.N. member states, including those of the five permanent members of the Security Council.

Following the U.N. visit, Walesa addressed a meeting at New York Town Hall with the city's Polish community. In a hearty and enthusiastic atmosphere New Yorks Poles chanted Walesa's name and sang the traditional Polish song "Sto Lat" (May he live 100 years).

Boleslaw Wierzbianski, editor in chief of the Polish-language emigre "NOWY DZIENNIK" and a leading figure in Polish-American circles greeted the honoured guest, describing him as "a hero of the great spirit of freedom."

President Walesa appealed to those present to be "ambassadors for Polish affairs in America, so that together we can build the Poland of our dreams." He continued: "our geo-strategic location, in the past so unfortunate, can today become our trump card, since Poland lies at the junction of East and West, which gives great opportunities for growth."

Replying to questions from the floor, Walesa promised to "secure the withdrawal of Soviet forces from Poland, by political and not adventurist means."

On the controversy over the parliamentary elections, he said: "if the new electoral law does not give parliamentary representation to Poles overseas, the president will create a special, high-ranking body attached to the presidential office to represent his fellow-countrymen living abroad."

On the subject of illegal acts committed by the representatives of the communist authorities: "Those guilty of breaching the law in the previous period must and will be punished."

Walesa told the audience that: "the newly-structured system in Poland through work and new requirements will cure the Polish people from the communist accretions which are embedded in their psyche."

In the evening the Polish consul-general in New York hosted a reception in Walesa's honour. During the event the Polish president decorated Cardinal Jan Krol, an American of Polish descent, with the Officers Cross and Star of the Polonia Restita Order.

Walesa Returns From Visit to U.S.

LD2703094891 Warsaw PAP in English 0910 GMT 27 Mar 91

[Text] Warsaw, March 27—Polish President Lech Walesa returned to Warsaw this morning after his week-long visit to the U.S.

The ministers accompanying the president highly sized up the results of the visit to the U.S. by Lech Walesa and the Polish delegation.

Secretary of State at the President's Chancellery Slawomir Siwek and Industry Minister Andrzej Zawislak said the visit was a political and economic success.

Zawislak also stressed that it seemed almost certain that American businessmen would invest in Poland. Concrete decisions on the participation of American companies in the development of Polish industry are likely in late April.

Council of Ministers Proceedings Reported

LD2603233491 Warsaw PAP in English 2137 GMT 26 Mar 91

[Text] Warsaw, March 26—At its today's meeting presided over by Premier Jan Krzysztof Bielecki, the Council of Ministers resolved to sign agreements of guaranty for credits to be granted by the Export-Import Bank of the United States and the Canadian Export Development Corporation.

Short-, medium- and long-term credits of the total value exceeding 200 million dollars offered by the U.S. Export-Import Bank will be allocated for the purchase of American commodities, services and investment goods for Polish private and public sectors.

Some 20 million Canadian dollars offered by the Ottawa-based Export Development Corporation will help finance the import of materials and goods indispensable for export-oriented industries and of consumer goods, luxury goods exclusive.

Poland's Minister of Foreign Affairs Krzysztof Skubiszewski presented a report on the official part of President Lech Walesa's visit to the United States. Skubiszewski pointed out that the United States in a firm and clear way treated Poland as the country playing the key role in the shaping of the democratic order and pan-European security.

This stance of the United States is not only manifested in that country's extraordinary political declarations but has also found its materialization in, among other things, a 70 per cent reduction of Poland's debt, Skubiszewski said.

The government decided that the bill on the formation of the Ministry of Industry and Trade, out of two autonomous bodies exisitng so far, should be subject to further consultations between ministries particularly as concerns the scope of powers of the new office and principles of its cooperation with other organs of state administration.

The cabinet heard a report of the Minister of Internal Affairs on the road blockade staged by farmers on March 22. The government regarded the action as illegal in the light of law and found it deplorable that some Sejm deputies took part in the protest and thus violated the oath which orders them to watch that law is observed.

In an ordinance adopted today, the Council of Ministers set the inflation compensation index in April and May at 0.6 per cent thus allowing the 0.6 per cent growth of wages free of the wage growth tax.

A draft of a new education law adopoted by the government today creates possibilities for setting up and running various schools. While respecting parents' right to religious upbringing of their children, schools will organize religion lessons for pupils whose parents express such a wish. High school students will have the right to decide for themselves whether to attend religion classes or not.

Balcerowicz Adviser on Zloty, ECU Pegging

AU2603111991 Warsaw GAZETA WYBORCZA in Polish 20 Mar 91 p 5

[PAP report: "The Zloty and the ECU"]

[Text] "We are interested in seeing a more stable zloty and in seeing our currency recover the capacity to perform all the functions that money performs in a market economy." That is what a PAP journalist was told by Dr. Mieczyslaw Szostak, one of Deputy Prime Minister Balcerowicz's advisers.

"We are also interested," said Szostak, "in curbing inflation by making the zloty fully convertible. At the same time, we are endeavoring to strengthen our ties with Western Europe. The negotiations we are holding with the EEC on an associate membership agreement are a step in that direction, and in the long term we want to become full members. We also have to find a way of linking the zloty to the European monetary system.

"It is also worth giving serious consideration to the suggestions made by EEC monetary experts (including experts from the European Monetary Union Association) that the rate of exchange for the zloty should be tied to the ECU, the current European unit of settlement and future European currency.

"The idea of pegging the zloty to the ECU merits consideration if only because it would entail fewer political risks and bring more economic benefits than basing the value of the zloty on a single national currency. The main benefit would be greater exchange rate stability on the money markets as well as a more stable domestic interest rate policy. There is no doubt that basing the value of the zloty on the ECU would also be interpreted by our European partners as a concrete step toward achieving economic integration with the rest of Europe.

"Resistance to the idea tends to be more of a psychological rather than an economic kind. Besides, the solution is one that is already being applied. Norway, which does not belong to the EEC, has pegged the Norwegian krone to the ECU.

"It might also be possible to use the ECU for settlements between former CEMA countries. Many specialists believe that a payments union should be set up for these countries and that the ECU could serve as the unit of settlement. The idea of forming a payments union involving Czechoslovakia, Poland, and Hungary was raised during the recent meeting of the countries' heads of states at Visegrad."

Balcerowicz on Regional Restructuring

LD2403064291 Warsaw PAP in English 0455 GMT 24 Mar 91

[Text] Walbrzych, March 23—Vice-Premier Leszek Balcerowicz met here today with representatives of plants, economic and trade union organizations, local self-government and small business from the entire voivodship. The meeting focused on the planned liquidation of the Walbrzych coal basin in the coming five years.

The liquidation of mines proceed according to plans since any haphazard decisions threaten with chaos and deepening of the frustration of the mining community. It is necessary to create incentives for foreign capital to invest in the region and to ensure social safety to crews by means of creating new workstands and tax reductions for investors.

Leszek Balcerowicz said there were regions in Poland requiring special treatment and support from central authorities so that restructuring processes follow a possibly smooth path. The Walbrzych region is one of them, he said.

He also expressed regret that restructuring processes were slow in Poland. The premier stressed it was necessary to speed them up and added there was a possibility the French Government would get actively involved in these processes.

Balcerowicz on Mine Liquidation in Walbrzych

AU2703103591 Warsaw PAP in English 2104 GMT 23 Mar 91

[Text] Walbrzych, March 23—Vice-Premier Leszek Balcerowicz met here today with representatives of plants, economic and trade union organizations, local self-government and small business from the entire voivodship. The meeting focused on the planned liquidation of the Walbrzych coal basin in the coming five years.

The liquidation of mines (?must) proceed according to plans since any haphazard decisions may cause chaos and deeper frustration of the mining community. It is necessary to create incentives for foreign capital to invest in the region and to ensure social safety to crews by means of creating new workstands and tax reductions for investors.

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He also expressed regret that restructuring processes were slow in Poland. The vice premier stressed it was necessary to speed them up and added there was a possibility the French Government would get actively involved in these processes.

SDRP Calls For Alternative to Balcerowicz Plan

AU2703110091 Warsaw PAP in English 2053 GMT 23 Mar 91

[Text] Warsaw, March 23—The costs of implementing the Balcerowicz economic programme are so great that they threaten with an explosion of unrest and, in consequence, turning Poland back from the road of reforms, members of the Supreme Council of the SDRP (Social Democracy of Poland) stressed in the course of today's meeting.

That is why the party is working on its own alternative programme, to be submitted for intra-party debate and published in the press.

The SDRP wants to propose a different road towards a market economy, combined with state interventionism.

The session noted an increasing danger of actions aimed against people and circles formerly linked with the PUWP (communist party) [PZPR].

The Supreme Council also voiced its support for the recent protest actions staged by farmers (road blockades) and OPZZ [National Trade Union Confederation] trade unionists (street marches). "We understand and share the motives of these protests," says a special statement adopted today. "The protests are aimed against the socio-economic policy which brings deepening recession and drastic deterioration in the living conditions of the working people."

Farmers Face Proceedings for 'Illegal' Protest

LD2603203891 Warsaw Domestic Service in Polish 2000 GMT 26 Mar 91

[Text] The Council of Ministers has familiarized itself with a report by the Internal Affairs minister on the protest action by farmers on 22 March. A total of 503 road blocks were organized in Poland in 47 voivodships, Andrzej Zarebski, the government press spokesman said. That protest action was illegal. The government insisted that the rules of law should be observed, the spokesman said. Proceedings will be taken against those who broke the law, considering the degree of damage caused by their actions. Where damage was comitted against state property, proceedings to claim compensation will be started. The government regrets that parliamentarians participated in this illegal protest, thereby infringing upon their oath, which calls on them to uphold the law in the state. The Council of Ministers also heard a report by Krzysztof Skubiszewski, the head of Polish diplomacy, who participated in the official part of President Lech Walesa's visit to the United States. The minister assessed it as satisfactory.

PSL Chief Calls For Removal of 'Collaborators'

LD2303234791 Warsaw PAP in English 2027 GMT 23 Mar 91

[Text] Warsaw, March 23—Chairman of the Polish Peasants' Party (PSL)—Roman Bartoszcze conveyed to PAP a statement in which he stressed that for some time now political forces of the past epoch were trying to rebuild former structures and create conditions to again take over power.

He stressed the period was extremely favourable due to the forthcoming parliamentary elections and added these forces were determined in their struggle for power in such a degree that under pretences of revival they were ready for demagogy and inciting social moods.

"Such is also the case of the PSL where there are numerous collaborators of the former authorities and many former PUWP [PZPR - Polish United Workers Party] members," the statement read.

"Being aware of this I often gave these people a chance for a profound revival. An attempt to reach agreement and start dialogue was however perceived as my weakness and a lack of 'programme' for the PSL," Bartoszcze went on.

"Today I must say 'stop' to this...these people must leave the party even if it were to shrink to 10,000 members. This is required by the Polish reason of state," the statement said.

Roman Bartoszcze appealed to all those people who cared for the good of the Peasant Movement to start to a grass-root process of cleansing the party's ranks.

"The Polish Peasant Party must be freed of the communist left," he stressed.

Lis Interviewed on 'Solidarity,' Foreign Unions

AU2603165291 Warsaw ZYCIE WARSZAWY in Polish 20 Mar 91 pp 1, 2

[Interview with Bogdan Lis, senator and head of the "Solidarity" National Commission Foreign Department, by Piotr Bazylko and Piotr Wysocki; place and date not given: "What Will You Be Doing at the Belweder?"]

[Excerpt] [ZYCIE WARSZAWY] What is your view of the place that "Solidarity" has in the international trade union organizations that it is affiliated with?

[Lis] It is not bad today. Although there was a period last year when, for a time, it seemed that our position was becoming weaker. Other independent Eastern European trade unions had appeared. Czechoslovak trade unions joined the International Confederation of Free Unions. Western trade unionists saw this affiliation as being something of a counterweight to our position, which was very strong at that point. However, it soon transpired that "Solidarity" was 10 years ahead in terms of experience.

[ZYCIE WARSZAWY] How is cooperation between "Solidarity" and other independent Eastern European trade unions turning out?

[Lis] Well. Sometimes trade unionists in these countries fool themselves into thinking that they can avoid all the difficulties that we encountered initially, but we have the advantage of experience. That repository of experience is something that our friends can draw on, but if they do not always want to, then that is their affair.

[ZYCIE WARSZAWY] Are you involved in cooperation with former communist trade unions in our part of Europe?

[Lis] We are seeking to maintain links solely with independent trade unions. We do not want to have anything at all to do with former communist trade unions.

[ZYCIE WARSZAWY] What would you say about the efforts that are being made at the Brussels headquarters of the International Confederation of Free Trade Unions to help the Bulgarian unions, which have communist origins.

[Lis] There are various departments at the Brussels headquarters, and views on these issues differ. For example, the Scandinavian unions believe that so much has changed in Eastern Europe that the former communist trade unions should be assisted so the changes that are taking place continue to proceed in their present direction. This applies to both Bulgaria and the Soviet Union. That is what the Swedes and the Norwegians think, and they act accordingly.

[ZYCIE WARSZAWY] What does "Solidarity" think of that?

[Lis] We are resolutely opposed to these proposals. We know from experience that former communist unions do not reform themselves that quickly, but diligently exploit such contacts to bolster their credibility before domestic and international opinion. These unions are continuing their campaign against independent trade union movements, have not given up their material privileges, and are not attempting to use their influence to make labor legislation in individual countries more democratic. [passage omitted]

Lipski Returns to Post of PPS Chairman

LD2303232891 Warsaw PAP in English 2054 GMT 23 Mar 91

[Text] Warsaw, March 23—At an extraordinary meeting of the Supreme Council of the Polish Socialist Party (PPS) held here today, a compromise was worked out which resulted in the return of Senator Jan Jozef Lipski to the post of party chairman.

Lipski resigned last week in protest over Gauchist leanings of the ROBOTNIK, the party's newspaper edited by Piotr Ikonowicz.

As a result of today's meeting, Ikonowicz also withdrew his resignation.

The meeting also discussed possible electoral alliances, favouring the creation of a broad coalition of leftist groups originating from Solidarity movement.

In another resolution, the Supreme Council decided to hold a protest action against the government's economic policies together with the Subcarpathian chapter of Solidarity.

Democratic Party on Congress Preparations

LD2303223191 Warsaw PAP in English 1931 GMT 23 Mar 91

[Text] Warsaw, March 23—The Democratic Party (DP) [SD] Central Committee held its 11th plenary meeting here today to discuss preparations for the forthcoming 15th extraordinary congress of the party, to take place in Pulawy between April 12 and 14. The meeting, chaired by party leader Aleksander Mackiewicz, adopted a stance on free enterprise in Poland.

"A few-month government actions have not confirmed declarations concerning private (small) business and included in the expose presented by Prime Minister Jan Krzysztof Bielecki. [sentence as received] The Democratic Party demands that concrete plans should be presented together with the ways of implementing government declarations concerning private business in Poland," the stance reads.

The meeting also passed a resolution which obliged the Democratic Party parliamentary floor group to start actions in the Sejm forum designed to take over by the Sejm of direct supervision over the radio and television. This will make it possible to objectively and honestly present programmes and actions of various political forces, particulary before the forthcoming elections to the Parliament.

New Party Registers, Plans To Run in Elections

LD2503180191 Warsaw Domestic Service in Polish 1500 GMT 25 Mar 91

[Text] A new party registered at Warsaw Voivodship Court. It's name is: The Movement of the New Poland [Ruch Nowej Polski]. It is organized on the model of the U.S. Republican Party. Rafal Krawczyk, a noteworthy economist and former head of Roman Bartoszcze's electoral headquarters, is chairman of the provisional National Board. The Movement of the New Poland intends to run in the elections as a party opposing the reforms adopted by Mazowiecki's government and continued by the Bielecki's Cabinet. The party supports the farmers' protests and opposes the privatization that is currently being implemented.

Eighteen New Parties Registered Since 4 Feb

AU2503204791 Warsaw RZECZPOSPOLITA in Polish 20 Mar 91 p 2

[J.F. report: "Eighteen New Parties"]

[Text] Eighteen new parties have been registered in court since 4 February, the date when RZECZPOSPOLITA published a panorama of the 42 registered political parties in Poland.

The new parties include the "Eagle, Truth, Freedom" National Republican Organization with headquarters in Lodz, and the Social Democratic Union of Greater

Poland, with its seat in Poznan. Another party with its headquarters in Poznan is the Christian Democrats Party, whose chairman is Senator Krzysztof Pawlowski.

In addition, there is the Polish Ecological Party [Stronnictwo] with headquarters in Rzeszow, the "Good Management and Work" Movement in Warsaw, and the "Rota" Political Movement of Patriots of the Republic of Poland in Radom. There is also a Polish Ecological Party [Partia] in Warsaw, founded by Janusz Bryczkowski, leader of the previously established Polish Green Party.

We have yet another ecological party, this time the "Polish Party of Greens and Labor," based in Szczecin. There is a Democratic Union based in Krakow, and a Party of Polish Handicrafts in Bydgoszcz.

In March the court registered the "Victoria" political group in Krakow, consisting of the joint election staffs of Lech Walesa. A Polish Christian-Democratic Forum has been registered in Warsaw. We also have a "Union of Common Sense" in Lodz and a "National Polish Front" in Gdansk. A Polish Prosperity Party has also appeared in Warsaw.

We have already reported on the registration of Stan Tyminski's Party "X" on 13 March. One more Warsaw group has been registered in the past few days, the New Poland Movement.

The registration of another three parties has been postponed by the court due to incomplete documentation.

Roman Addresses FSN National Convention

AU2603105191 Bucharest AZI in Romanian 19 Mar 91 p 2

[Address by Prime Minister Petre Roman, leader of the National Salvation Front, at the national convention in Budapest on 17 March: "We Propose a Program of Renewal and Rebirth of Romanian Society"]

[Text] The Romanians have a good saying: A friend in need is a friend indeed! Our country is in bad need of a friend. Somebody, namely the National Salvation Front [FSN] and its representatives in parliament and government have assumed this responsibility. When they assumed this responsibility they said openly and with great courage that the country's needs during the election were small compared to the country's needs during the transition period.

We have already said it. However, the trust and the enthusiasm that brought us the victory in the elections generated in people's minds—it is only natural—a kind of wish: that those people whom they supported and those people who represented their interests so well during the revolution should be able to come up with certain wonderful solutions that would ease their worries and sufferings as quickly as possible. It is simply human to think in this way.

We have never adopted the language of demagogy. Our mission has been clear: to propose a program for renewing the country. We said even a rebirth of Romanian society. It was possible to do it, and it is to the credit of this political formation that it has set up a team capable of drafting an appropriate program for this transition period; that is, a program of economic reform. I would like to say an important thing now: When we drafted this program of economic reform, our ambition was to give people the chance to get out in a dignified manner, as soon as possible, to the light among European countries, among the dignified, civilized, and developed countries of the world.

This represented our starting point. It was not economic liberalism, not a variant for acquiring wealth rapidly, and not other such forms, which we consider only methods and not goals. The goal was and continues to be the same: to ensure the transition to a society based on healthy foundations as far as the economy and social justice is concerned, in other words, to ensure a future for this country, a future that seemed not to exist at all during the last years of dictatorship.

This economic reform and this program was the program of the transition. Apart from ensuring the political democratization and the democratization of all those institutions that have a political nature, as a necessary aspect, we included in this program—in an objective and compulsory manner—economic democracy and the need to run the economy according to the rules of economic science. As we all know very well and has been proved, the economy that we inherited was run on nonscientific bases, even aberrant bases. We had to and continue to correct and make fundamental modifications to the given situation. Therefore, when we started on this road we said: first the requirements will increase. Nevertheless, in 1990—I have said it on other occasions, but I have to repeat it now, too—we decided—and I think we proceeded correctly—to repair many aspects in the life of broad social categories and try to ensure a more or less acceptable standard of living. It was inevitable that we do this. However, at the same time we had to create the structure and mechanism for the operation of the economy in which the potential of labor and the potential of the labor force should start to express its real potential as far as volume, intensity, and quality of work are concerned. Why? Because this is the only certain source that can ensure the country's well-being. From now on, remarks about the quality of reform should focus on only one thing: is this program that we proposed capable of offering an appropriate operating mechanism in which workers, peasants, and intellectuals can fully and quickly express themselves, for their own benefit and ultimately—through the mechanisms of social justice—for everybody's benefit? I believe that the answer to this question is yes. And one could even criticize this question. This criticism was uttered neither after 28 June nor—obviously—afterwards, although it has been very clearly stated: there are going to be social costs! The greater the needs the greater the pain. We must try to detach ourselves completely from the idea that the social costs and difficulties that the transition is generating, apart from the fact that they are inevitable, are not an issue for our program, they do not represent a goal, an objective of the program; however they represent the inevitable result of creating those mechanisms through which we can start revitalizing our national economy. This is also a fundamental issue when we want to find out what we have to do for a better future.

The question whether this government has represented the FSN's political platform correctly or not has also been raised. It has often been mentioned that this government team does not put the FSN to shame, the more so since the opposition has not found any alternative, either as far as the program or the people are concerned. Therefore, from this point of view, so to say, things look all right and we, as a formation, came up with a good thing, something that means that this party is capable of governing and capable of assuming responsibility. On the other hand, when this question is raised, it also refers to the content of the program in terms that are often false from an ideological point of view, such as: Is it really a social democracy that we have or is it not exactly a social democracy and so on and so forth? It has been doubted that this program is a program that is meant for most or all the social categories or that it is a program capable of offering us support in the election. Here is a fear that, as a matter of fact, is correct and necessary. But it is also the starting point for a dilemma.

The dilemma is the following: Do we stay for a longer period in a state of generalized semi-poverty, in a bad

state with inefficient utilization of our capacities, do we have to stay for a long period in a state of shallow and harmful egalitarianism, or do we admit that we must make a certain leap during this transition? I believe that the answer to this question and to this dilemma, to these doubts, is given by the people's impatience to see things change. Thus, we cannot continue to avoid the inevitable pain for the sake of cheap electioneering. We must express this very clearly.

There was this first stage of price liberalization, which was inevitable—and I have already explained why: finally to confront economic truth—and which did not succeed in creating for us an economic revival in a short period of time. There was the question whether we should have done it at all. From a political point of view, I believe that is when we won the game, meaning that we succeeded in explaining why it was necessary. No doubt, we could not eliminate people's concerns about what had happened and mostly about the distortions that appeared as a result of this type of price liberalization. This does not mean that we can abandon the process halfway. One can no longer ask: What would we have done if we had not done this? Because, if the program with which we started off is a correct, well organized one that shows us the way, then it means that we should pass through the stage of price liberalizations as well: we should try—and that is what we have been doing for the past three months—to do it the way I mentioned in the political platform, with the help of two elements—a minimum of social costs and with state intervention, which is justified by the fact that we are not in a period of economic upsurge. On the contrary, we are in a period of stagnation, even recession. For such a period government intervention is necessary according to all the laws of economic science.

Returning to the issue of placing our economy on healthy foundations: the orientation toward a market economy is an element of economic democracy. Without this there is no free initiative, there is no economic stimulation, and there is no economic truth. Without this it means that some people work without having their work rewarded while others do not work and are rewarded. We should eliminate such a situation completely. Otherwise, we will not be able to extricate ourselves and join the ranks of the developed countries. We will not succeed in becoming a prosperous country. All countries, all West European countries that passed through a more or less similar state of crisis (after the war, for example) passed through difficult stages that they managed to overcome by working according to a program of economic freedoms, of levers that can indeed stimulate the work and mind of people. Without it we do not have a chance of achieving what we want. What happened in the former communist countries that eliminated communism earlier, some even 10 years ago, eliminated the imposed closed economy of the Stalinist system, shows very clearly that we have a similar road to travel.

Impatience is a positive thing if it means that we want to work and to pass through this stage with determination, being aware that, above all, work is our resource. Many of the components of the new mechanism of operation were in short supply. We have reached the point when our economic mechanism is being changed; fortunately, sooner than in other countries. Certainly, there were distortions, there was lack of correlation, and, of course, difficulties emerged in the operation of this mechanism of the national economy. There are signs that we are emerging, so to say, from this situation; we are beginning to note this, now that we are connected to foreign financing—on the basis of the program for economic reform that we proposed and not on the basis of "beautiful eyes"; we will never get anything from abroad except on the basis of the credibility of this program. You have to know that this credibility is not granted once and for all; it can also be withdrawn. The credibility that we have been allowed has to be capitalized on very urgently to give our economy a good start.

Permit me to say something which—for lack of opportunity—I have not said to the country: There is no vicious circle between work and reward, because this is not the case in our country. Our situation is as follows: First the work, then the reward. We are not in the "vicious circle" that poses the question: Which came first, the chicken or the egg? We know for sure that first we have to do our work, and then the reward follows. On the basis of our program, it is our duty to ensure work for our labor force, especially for highly qualified people, for our technicians. We have sought this in all parts of the world and in many places we established links that we have to—and will—capitalize on for the benefit of this labor potential. However, there are also negative aspects in this area because those who are working in inefficient enterprises can seldom be held accountable for this. Often it is the fault of the situation that they have inherited. However, the ones who are guilty are the ones who, ever since the revolution, despite many opportunities, have done nothing to redress matters, restructure domestic costs, and organize the production process. There has been, is, and will be unrest, because, in the final analysis, the citizen says: I want to live decently, I want to live in the most tolerable conditions. It is normal that he should be obsessed by this idea, because this is what man's life is about; at the same time, it is also he who is obligated to think: What can I do to live better? I have to ensure prospects for him to work in a certain enterprise and in another one, or to take up other jobs, so that he is able to earn a reasonable income on which he and his family can live. All these things and this impatience cause great tension in society, in the government, and in the relations between the government and the FSN militants. There is tension because often prospects are, or seem to be, uncertain. It is not clear when or how each one is able to use his potential. To this we, inevitably, have to add that to increase economic efficiency, each enterprise has to become efficient. This is not something done by the government; the government creates the framework and conditions, so that each enterprise may work out its own pattern. It goes without saying that in this effort we have to eliminate inefficient

activities, so that the other activities may produce and profit, and if they profit the whole country will profit on the basis of a whole system of instruments (income tax, taxes and so forth) which ensure funds for the budget. What do we do with this budget? Gentlemen, with this budget we do exactly what any government would do that cares a great deal about the interests of the working people: We try to distribute it very intelligently and on the basis of economic science; thus we try to distribute it correctly. This is the social aspect of it. I have often discussed it and, if need be, I will do so now! Yes, this means that we are a leftist, social democratic party! We try to distribute correctly. Populism does exist, gentlemen, because populism means demagogy, it means being afraid of reality and afraid of promising anything. But I want to see what these gentlemen are going to do: Have they thought about what they have to do after they have made their promises?

We are not any country—a country that has never known democracy or lacks the necessary culture! We are a people of great culture. It is a gain, actually the only one we have inherited from the old regime, and we must admit it! However, this potential does not come only from the old regime; you should realize that in Romania, even before World War II, we had higher education institutes, and the schools that functioned, either elementary—primary, as they were called—or high schools, functioned even better than many of today's schools. Hence, we are a country with a high cultural potential, which means that we cannot tell lies to the people, hoping that they will later forget these lies or will force us to change our line and make some demagogic corrections.

Neither the FSN should get involved in lies, nor the government, which is appointed by it, or the parliamentarians, which are appointed by the political movement. This would be a great mistake. We did not win by demagoguery. Why should we do it now? You saw that some opposition figures are adopting such demagogic attitudes. Allow me to say the following: The country does not believe them! The country believes when we say that we, the FSN, have a program with a social aspect, a program aimed at ensuring social protection within the limits of the possible and within the limits in which it intends to ensure that economic recovery can contribute—through various redistribution instruments—to a more correct distribution and to social justice. However, to achieve this we must always tell the truth. Of course, the truth is not only tough, difficult, and harsh. If it were just that, then we would have to apply—and would apply—only one solution for everything, and see what happens. Our truth is being built. On the economic plane, this is the task of the government; on the legislative plane, it is the task of Parliament. In both cases, it is the task of the FSN.

This truth is being built because, if we have intelligent and competent people with the proper economic, political, and sociological culture, then these people are able to build a truth that can be implemented and that can lead, as I have already said, to lesser suffering for the country. All these people—the government and the parliamentarians who are FSN's representatives—are also dutybound to correct what functions incorrectly and to intervene to make the necessary corrections to alleviate such pains as: corruption, profiteering, the still existing privileges of people occupying functions at various levels in the state and local administration, and so forth. This is a very complicated and difficult process. We have almost nothing of what is available to a well organized society: we do not have legislative instruments (we are currently fixing them) and we do not have a statute governing a clerk's behavior, which does not only mean various written standards, but also a moral code, which needs time to build and which was completely perverted in our country before the revolution; after the revolution, many turned it, through demagoguery, into their own morality, or better said, their own immorality.

We have cases when capable and honest people are being thrust to the periphery because they do not know how to express themselves, while others, who put up a noisy show of being reformers, are actually thieves. We were rightly blamed for not being able to change this apparatus and bring in people devoted to our program and to economic reform. Well, the answer is that we failed to do so because it is a very difficult and complicated process: quite often, people who are competent at a certain level, become incompetent at another level and hamper development. There are criteria, but not operative and immediate means to accomplish this, which is one of our greatest problems: we do not always have, or better said, we rarely have the right people at the right place. There are too many false strivings and too many people looking for a comfortable berth; all this is hurting and hampering us and raises a big question mark regarding the fast and complete implementation of reform. Quite often, these people, who are driven by personal interests (hence, they can share these interests with other people motivated by the same kind of personal interests) can turn the hardships linked to the implementation of reform into doubts and question marks concerning the reform itself. These are the people who undermine our road to progress, because they hope to still be able to collect some golden coins, before the ground explodes under their feet.

Since I am talking about joint responsibility and inseparable responsibility between the government and FSN, let me tell you that I, as a politician, was born in the National Salvation Front. I worked in the FSN, I was in the lists of candidates, in the FSN lists, I was the winner of the FSN list in Bucharest, and after President Iliescu had to take up his position as president and, in accordance with the law, had to become neutral, someone had to continue to maintain the link with the FSN, which all of a sudden was deprived of very many personalities who had taken it to victory. In this context I want to tell you that I will stay in the FSN, and I will mainly assume responsibility within the FSN before I assume that of prime minister. This, because tensions, because economic development is not a linear process nor can it be

completely foreseen, because times of great difficulties may emerge, and because, in the final analysis, it is possible—as I said in my last report—to find other forms of government; however, I have no intention of abandoning the political pulse and activity.

I suggest that we conclude the final part of our National Convention with the conviction that we want to build, to rebuild a political movement in the form of a ruling party that will assume long-term responsibility for the country's affairs. I want all of us to be convinced that the FSN is the most credible and the most genuine political formation of the revolution; I want you to understand that we who are in this hall today have assumed great responsibility for the future of the Front, which represents a chance for Romania's future. It is our responsibility to be aware that today we are forging Romania's image and political structure. This is of tremendous importance. We are resuming a cycle of democracy by getting integrated into the common values of democracy everywhere, of the front-ranking countries, and of the most developed countries. By resuming this democratic cycle, I am convinced that the FSN's mission is to do all it can so that our acceptance of and agreement with what is happening in the developed world—to which we aspire— are greater than at the time when a certain democracy existed in Romania. We are able to build democracy even through the way in which the FSN exists and functions today, a democracy that will proceed directly to what democracy means in developed countries today. This is a historic mission!

Foreign Minister on Current Role of Diplomacy

AU2603181791 Bucharest AZI in Romanian 20 Mar 91 p 4

[Interview with Foreign Minister Adrian Nastase, president of the "Nicolae Titulescu" Foundation, by Eugen Negrea; date and place not given: "We Belong to Europe"—first paragraph is AZI introduction]

[Text] At the end of the "Homage Paying Scientific Session—Nicolae Titulescu" Mr. Adrian Nastase, the Romanian minister of foreign affairs, president of the Titulescu Foundation, amiably answered two questions that our newspaper asked him.

[Negrea] Mr. Minister, in your view, what is the significance of this moment, and what are the chances that Romanian diplomacy will return to its tradition?

[Nastase] I believe everything that is happening now, that is, all actions paying homage to the memory of Nicolae Titulescu's memory and the attempts to bring him closer to us in these decisive moments for Europe and for us, means on the one hand that we have the possibility to organize such a commemoration in a modern way and create the European Foundation "Nicolae Titulescu," and on the other hand we are filled with joy at the thought of a successful accomplishment through the participation of foreign experts in this action, through the messages received from important political figures and through the participation of Romanian experts, of people who, in one way or another, have been supporting this action. This foundation has four "parents"—the Romanian Academy, the Ministry of Foreign Affairs, the International Diplomatic Academy in Paris, and the Association of International Law and International Relations of Romania. I think that we created—first of all for ourselves—a model of the way we have to act. I am referring to the achievement of a certain intelligent action in a gray zone, between the governmental and nongovernmental sponsored activities. The current diplomacy is not a postal diplomacy any longer, that is, a diplomacy of transmitting messages between two foreign ministries through an embassy. The current diplomacy is a much more flexible one. This diplomacy reaches much broader groups and much broader social and political forces in other countries and is achieved mainly through the capability of bringing into one's own country those who, in turn, will be able to carry to their ch ch ch he message about a certain national political reality. Thus, we have to learn the new European diplomatic'd political language. From this point of view I believe that the "TitulLu Days" marked both in Bucharest and Brasov to a great extent mean a proof of our capability to adapt to Europe.

[Negrea] Could it also be more proof of our "joining" Europe?

[Nastase] I do not like your question. What does joining Europe mean? This expression is absolutely wrong. We belong to Europe through a long history, obviously through geography, and we are part of of Europe and connected to it through our values and traditions. Therefore, our problems have to do with a rather operational moment, a moment of achieving the connection between us and certain European institutions, certain European structures, and certain mechanisms. The rest certainly depends on our intellectual ability to understand that a good foreign policy and a good foreign image are being established at home, and we also have to understand another thing: the way in which we will establish our domestic policy will have to depend on a rather tough East European stability, namely an obvious competition for economic and technological facilities. The countries that will succeed in proving that they understand the stability of domestic policy will have a great advantage in this competition.

[Negrea] Thank you, and allow me to wish you success in your new mission.

Government Performance Said Short of Expectations

AU2503135091 Bucharest ROMPRES in English 1303 GMT 25 Mar 91

[Text] Bucharest, ROMPRES 25/3/1991—"I expressed my hope that the Western world would concentrate on Eastern Europe, where the great fight of this century is being fought," Ion Ratiu, deputy for the Christian-Democratic National Peasant Party told a reporter of the

national news agency "ROMPRES." He added that he was specially invited to Great Britain by Prime Minister John Major.

"I pointed out at a press conference that Romania's progress towards democracy and privatisation was very slow, and that, worse still, old central and local administration institutions and old enterprises had not been dismantled yet. The measures taken so far are not adequate, as I have said twice so far when I asked the government to resign. But in the prime minister's most recent speech I noticed he said the same things I was saying last April, particularly as far as heavy industry is concerned, planned by the former regime to be loss-making.

Asked about my stand as regards Romania's having been granted special guest status by the Council of Europe, I answered, said Mr. Ratiu, that Romania was part of Europe and that all Romanians wanted it to be fully integrated in Europe, and the sooner the better.

I said I was content of the humanitarian aid given to Romania and I added I favoured every economic aid of any kind, donations, credits etc. from the International Monetary Fund, the World Bank or Western governments, but the way they are used must be checked up.

In the interview with BBC I was asked about dissent in the National Salvation Front. I said to my mind they were marginal, unimportant. Pluralism means the existence of several parties competing for power. The interpretation given today in Romania is that whoever criticizes the work of the government is some kind of traitor. Things go the other way round. It is through patriotism that we attack the government, as its performance falls short of what the country expects and deserves.

Anyhow I think it is of good omen that Mr. Petre Roman said he did not cling to power and that he thought other government formulas were also possible.

In another train of thoughts, speaking about huge sums of money, five billion dollars, having been spent, Ion Ratiu said "as the powers are not really separate, it would be in vain to ask for these expenditures to be accounted for in parliament. I asked for a white paper of the revolution and another one of the Securitate, but I have got nothing.

PUNR Against Magyar Constitutional Privileges

AU2603175291 Bucharest ROMPRES in English 1647 GMT 26 Mar 91

[Text] Bucharest ROMPRES, 26/3/1991—As a ruling party, the National Salvation Front must "contribute to the adoption of a constitution of Romania for the Romanian citizens, which should not be oriented toward satisfying the privileges required by the Hungarian minority," shows a statement of the Romanian National Unity Party (PUNR) on the settlement of the national question sent to ROMPRES for publication.

The National Salvation Front must "provide all conditions for the Romanians that were driven away from Covasna and Harghita Counties to come back home" the statement further says. PUNR also calls for international measures to make the truth about Transylvania known.

The statement specifies that, "while passing to a market economy, the nation ought to make efforts toward achieving priority goals and not toward fulfilling the Hungarian minority's pretensions."

"PUNR backs the granting of rights to all ethnic minorities in this country according to international standards and maintains the need for them to further have a representative ex officio to the Parliament, which should be sanctioned by the constitution," concludes the statement signed by Professor Ioan Al. Crisan, doctor in science, PUNR chairman.

TU Confederation Protests Price Liberalization

AU2603180891 Bucharest ROMPRES in English 1559 GMT 26 Mar 91

[Text] Bucharest ROMPRES, 26/3/1991—The government's programme of transition to the market economy—which we agreed upon—has become now unacceptable by our confederation because the executive does not observe the principles it had initially stated, the costs being taken over—in fact—by the population," reads a communique sent to the ROMPRES national news agency by the "Cosin" Trade Union Confederation in Romania.

The "Cosin" Trade Union Confederation the communique further shows does not deny the necessity of price liberalization, but we feel obliged to draw the attention to the dilettantism at various levels in approaching such complex economic and social issues. We consider that price liberalization could be made only when the adequate legislative framework is achieved and the necessary social protection measures are taken.

Antitotalitarian Democratic Forum Forms Convention

AU2603174291 Bucharest DREPTATEA in Romanian 20 Mar 91 p 3

[Communique of the Antitotalitarian Democratic Forum; place and date not given]

[Text] The 8 March 1991 meeting of the Antitotalitarian Democratic Forum of Bucharest Sectors decided to set up the "Convention of the Antitotalitarian Democratic Forum" in which all Bucharest sectors are to be included.

The convention endorses the platform program of the Antitotalitarian Democratic Forum of Cluj and is open to all political, nonpolitical, and trade union formations as well as to all private persons in Bucharest and in the Ilfov Agricultural Sector.

The Convention proposes to establish a framework in which it can act through: conferences, symposiums, mass media, for the real democratization of our whole social life and to defend the citizens' rights against political abuses and defend the rights stipulated in international declarations.

The following formations join this convention:

1. The Liberal Monarchist Party
2. The National Liberal Party
3. The National Peasant (Christian Democratic) Party
4. The Republican Christian Party
5. The Romanian Social Democratic Party
6. The Party of Democratic Unity
7. The Christian Democratic Union
8. The World Union of Free Romanians

Further information at the headquarters of the Romanian Social Democratic Party, 9 Onesti Street, Bucharest Sector 1. Telephone: 16-47-21.

Sentences Appealed in RCP Leaders' Trial

AU2603220691 Bucharest ROMPRES in English 1909 GMT 26 Mar 91

[Text] Bucharest ROMPRES, 26/3/1991—Tuesday, March 26, the Division of Military Prosecutor's Offices of Romania's General Prosecutor's Office filed an appeal to the sentence passed by the Bucharest Territorial Military Tribunal on March 25 in the trial of the 21 ex-members of the Executive Political Committee of the CC [Central Committee] of the RCP [Romanian Communist Party].

As we have informed the charge of genocide was changed into abetting crime for 13 defendants and into negligence in office for two defendants. Sentences of two-to-five and a half years were passed. Six defendants were acquitted of criminal charges.

Roman Receives North Atlantic Assembly Delegation

AU2603141891 Bucharest ROMPRES in English 1249 GMT 25 Mar 91

[Text] Bucharest ROMPRES, 26/3/1991—The Romanian Government's preoccupations for the application of the reform were central to the talks conducted by Romanian Prime Minister Petre Roman on March 26 morning with the delegation of the North Atlantic Assembly, headed by Assembly President Charles Rose, member of the U.S. House of Representatives.

The Romanian prime minister expressed his government's interest in taking utmost advantage of the Western countries' experience in the operation of the democratic institutions, in privatization and, generally, in passing to the market economy.

In turn, the president of the North Atlantic Assembly expressed his organization's full support to the implementation of the democratic changes in Romania and his own wish to contribute, in his capacity as member of the U.S. House of Representative, to the successful accomplishment of the democratic process in Romania. He promised he would recommend to the Committee of the North Atlantic Assembly that Romania should be granted soon the statute of associate in the Council of Europe.

Delegation Departs

AU2603220591 Bucharest ROMPRES in English 1855 GMT 26 Mar 91

[Text] Bucharest ROMPRES, 26/3/1991—The delegation of the North Atlantic Assembly, led by Charles Rose, president of the Assembly, Democrat, member of the House of Representatives of U.S. Congress, concluded their visit to Romania.

The guests were seen off by Oliviu Gherman, vice-president of Romania's Senate.

'Possibility' of Markovic's 'Abdication' Reported

LD2703065591 Belgrade TANJUG in English 0116 GMT 27 Mar 91

[Text] Belgrade, March 26 (TANJUG)—The Belgrade daily BORBA in tomorrow's issue assesses that "the meeting of Croatian President Franjo Tudjman and Serbian President Slobodan Milosevic has led to further confusion and raised the political temperature in the Yugoslav public."

Presidents of the Yugoslav republics of Croatia and Serbia Franjo Tudjman and Slobodan Milosevic met on March 25 unexpectedly.

A communique from the talks did not specify the venue of the meeting, but BORBA has learned that it took place in Karadjordjevo—a state-owned hunting grounds in the Yugoslav province of Vojvodina where Josip Broz Tito often sojourned.

An important part of the Serbian-Croatian agreement achieved in Karadjordjevo, according to BORBA, relates to the position and fate of the federal government and Prime Minister Ante Markovic.

As BORBA has learned unofficially, "Tudjman and Milosevic struck a bargain in which Franjo Tudjman, i.e. Croatia, will respect Serbia's authority over its provinces but also Serbia's demand that federal Prime Minister Ante Markovic be replaced."

"Croatian President Franjo Tudjman, allegedly, BORBA adds, agreed to the new concessions but demanded that Croatia resolve the situation in Knin, in line with its constitution."

According to BORBA, "It is quite possible that the majority of the republican leaders seem to think it quite acceptable that after the elimination of the Yugoslav state presidency from the further negotiations on the future of Yugoslavia, as well as the federal Assembly—now the federal government and prime minister should also be eliminated."

The daily also said for Markovic that he is "the only political figure who is respected both in the country and abroad, and who could appear as their rival in future."

BORBA unofficially has learned that Prime Minister Ante Markovic is not surprised about the meeting in Karadjordjevo and the possible agreement between Tudjman and Milosevic on the replacement of the federal government.

"There are convictions, BORBA writes, that the prime minister holds his own trump cards for this game, which might soon be found in an initiative for settling the Yugoslav political crisis."

BORBA's correspondent from Zagreb unoffically has learned at Croatian President Tudjman's office that at Karadjordjevo [passage indistinct] such as staff changes in the government cabinet.

The correspondent was at the same time told "that the possibility has not been ruled out that an agreement on Markovic's abdication was reached", BORBA writes.

Serbian Democratic Party Outlines Functions

LD2603234791 Belgrade TANJUG Domestic Service in Serbo-Croatian 2055 GMT 26 Mar 91

[Text] Zagreb, 26 Mar (TANJUG)—From its program aspect, the Serbian Democratic Party [Srpska Demokratska Stranka—SDS] is absolutely homogeneous throughout Croatia. Its basic function is the protection of the interests of the Serbian people in Croatia, and in this sense there is no difference between the SDS in the so-called Krajina Serbian autonomous area and the SDS in Slavonija and Baranja and other areas in the republic. During a news conference in Zagreb today this was stated by SDS spokesman Ilija Sasin after talks between SDS representatives and a U.S. Congress delegation led by Senator Dennis DeConcini.

The talks, held behind closed doors, lasted two full hours. Dr. Jovan Raskovic, Simo Raic, Dr. Drago Roskandic, Lazar Macura from Knin, Petar Dzakula, and Ilija Sasic from Slavonija and Baranja, Milan Vujnovic from Zagreb, and the vice-chairman of the Serbian National Council [Srpsko Nacionalno Vijec] Mile Dakic (Yugoslav Independent Democratic Party] and Vukasin Zoric from the same party attended the meeting on the Serbian side at the invitation of the U.S. Consulate.

Assessing these talks, the purpose of which was to brief the U.S. delegation on the implementation of human rights in Yugoslavia, including the rights of the Serbian people in Croatia, Dr. Jovan Raskovic—who only attended the beginning of the news conference—said that he was satisfied with the results. In addition Dr. Draskovic also referred to recent events in Belgrade, saying that they were a "cartharsis of the Serbian people" and that "the Serbia of spirit" had finally been victorious

Reference was also made to the constitutional and legal status of Serbian Krajina in Croatia. By the end of the month we shall adopt a platform that will embody our demands and interests in this sense, said Ilija Sasic.

Mesic Briefs Congressional Delegation

LD2603223391 Zagreb Domestic Service in Serbo-Croatian 2100 GMT 26 Mar 91

[Text] In Zagreb today, SFRY Presidency Vice President Stipe Mesic received a delegation of the U.S. Congress, led by Senator Dennis DeConcini. During lengthy talks, they considered important issues regarding future relations between the Yugoslav nations and republics. Stipe Mesic emphasized that the only logical thing to do now is to follow the European example, that is, that nations first become independent and then integrated, because this state had been composed in an artificial manner of peoples who had never before lived together. All of our crises have stemmed from unsettled accounts. Only in a

confederation we can settle accounts and base relations on interests and not on brotherhood and unity and love among nations.

Mesic stressed that it is impossible to resolve the current crisis in two months, but that starting points for a settlement of the crisis could be worked out in that period. Bearing this in mind, the Yugoslav Presidency will continue to discharge its duties until an agreement on a new, confederal model of future relations is reached, Mesic said.

SDP Members Meet Delegation

LD2703061591 Belgrade TANJUG in English 2339 GMT 26 Mar 91

[Text] Zagreb, Mar 26 (TANJUG)—In [word indistinct] hour talks behind closed doors in Zagreb today, members of the Serbian Democratic Party (SDP) set out to a delegation of U.S. congressmen their views on the realization of human rights in Yugoslavia, and also the Serbian people's in the Republic of Croatia, as they later told journalists.

Jovan Raskovic, one of the leaders of the SDP—a party which rallies Serbs in Croatia, said that he is satisfied with the meeting with the U.S. congressmen, at a news conference held immediately after the talks.

The U.S. delegation, which has been in Yugoslavia for three days now, is headed by Senator Dennis DeConcini, co-chairman of the U.S. Congress Committee for the Conference on Security and Cooperation in Europe (CSCE). The delegation also includes Robert Dornan, Helen Delich-Bentley, Bill Richardson and Bob Maceven.

The U.S. congressmen today had talks in Zagreb with vice-president of the Yugoslav State Presidency Stipe Mesic and with Croatian President Franjo Tudjman. The congressmen met with President of the Yugoslav State Presidency Borisav Jovic, Yugoslav Prime Minister Ante Markovic and Serbian President Slbodan Milosevic in Belgrade yesterday.

On Sunday evening, immediately upon their arrival, the U.S. Congressmen had talks with leaders of the Democratic Party of Serbia in Belgrade.

Tudjman Addresses Delegation

LD2603202891 Zagreb Domestic Service in Serbo-Croatian 1600 GMT 26 Mar 91

[Text] We have just received news about the diplomatic activities of Croatian President Franjo Tudjman. Today in Banski Dvori President Tudjman receved a five-member delegation of the U.S. Congress, led by Senator Dennis DeConcini, which is visiting Yugoslavia. Senator DeConcini extended to President Tudjman greetings from George Mitchell, the majority leader, and Robert Dole, the minority leader. In the course of cordial and friendly talks, the U.S. guests expressed a special interest in the latest developments in Yugoslavia, and in particular in President Tudjman's inititives and proposals aimed at a peaceful and democratic resolution of the Yugoslav crisis.

President Tudjman briefed the eminent U.S. congressmen about the results of his meeting and talks with Serbian President Slobodan Milosevic, as well as preparations for the coming meeting of all republican presidents, which was also convened at the initiative of the Croatian president.

Reformist Alliance Protests Media Policy

AU2603133591 Belgrade BORBA in Serbo-Croatian 22 Mar 91 p 5

[I.P. report: "Protest Against Croatian Television"]

[Text] Split—The Alliance of Reform Forces for Dalmatia has joined in the protests against the editorial policy of Croatian Radio and Television and the information blockade in the Croatian press. An open letter to the public says that all the radio and television programming serves the propaganda of the ruling party, while ordinary citizens are paying the price. Moreover, the reformists say that because of the constant danger to the "young democracy," they had long put off making this protest.

Serbian Deputies Receive Report on Protests

AU2603192691 Belgrade Domestic Service in Serbo-Croatian 1800 GMT 26 Mar 91

[Milorad Jovic report]

[Text] Deputies in the Serbian Assembly have just been given the report by the investigative committee on the events of 9 March in Belgrade, as well as accompanying material, such as supplements to the report by the Internal Affairs Ministry, the report by the medical commission, and a report on the preparations, course, and consequences of the destructive demonstrations, as this has been called

The report has not yet been given to journalists but thanks to the kindness of one of the deputies, we have borrowed a copy.

The committee's report has 13 conclusions that basically state what is already well-known, a chronology of the demonstrations. For example, conclusion six: the demonstrators broke through the cordon near the Jadran cinema by themselves, and clashes with the militia began here.

The committee proposes four measures to the Assembly. The first has already been met, to lift the embargo on all documentation connected with the demonstrations. The second is to investigate as soon as possible the circumstances under which Branivoje Milinovic and Nedjo Kosovic died. The third is for the Serbian Assembly to

analyze, on the basis of the presented facts, the level of responsibility and the proffered resignation of the internal affairs minister. The fourth and last is for the government of the Republic of Serbia to analyze the material, technical, and cadre capability of the Internal Affairs Ministry and take measures to improve its organizational capability in performing the duties in its powers.

This is therefore the report that was prepared by the investigative committee and that the deputies in the Serbian Assembly will discuss on Friday.

Serbian Democratic Party Chairman Wants Dialogue

AU2603163691 Budapest NEPSZABADSAG in Hungarian 23 Mar 91 pp 1, 3

[Interview with Serbian Democratic Party Chairman Dragoljub Micunovic by Demeter Pogar in Belgrade; date not given: "Yugoslavia: The Circle Has Closed in"—first paragraph is NEPSZABADSAG introduction]

[Excerpts] Dragoljub Micunovic, professor of law, is the most prestigious member of the Serbian legislative opposition. Micunovic met with our correspondent in Belgrade. [passage omitted]

[Pogar] It is said that you personally played a decisive role in the legislature in March 1991, by preventing an excessive escalation of conflicts between the government party and the opposition. Did you feel that there was a real danger of a military coup?

[Micunovic] If the March student demonstration had not been so peaceful, there really could have been a military coup. In the Parliament, I tried to convince the government party that it should talk to the opposition. I tried to make sure that decisions were made in the legislature, not in the barracks. The speaker and deputy speaker of the legislature understood my intention. This helped us avoid further clashes. We must not forget that at the time, there were tanks on the streets of Belgrade.

[Pogar] What forces does the opposition represent in Serbia? What chances does it have of implementing an alternative political will?

[Micunovic] At present, the strength of the opposition is not shown by the number of its representatives in the legislature. The government party has fallen into the trap of its own complacency. It believed that with a legislative majority, it could pass any bills that it wanted. It forgot, however, that the electorate is divided. I think that the real ratio is 51 percent to 49 percent, and it is only due to the electoral system that this balance of power has been able to develop. Since the elections, the authorities have taken several unpopular measures. Due to the absence of a political program, the government party has immediately lost confidence. There is such a great difference between the electoral campaign promises and actual reality that many people feel betrayed. People voted for social security and peace. Now there is no guarantee that they will receive their salaries or their pensions, and they are even being threatened by civil war. The authorities were not aware of everything when they decided to ban the demonstration. As far as we are concerned, the membership of the Democratic Party of Serbia has grown threefold since January. Parallel to that, the popularity of the government party [Socialist Party of Serbia] has decreased to the same extent. [passage omitted]

[Pogar] What future do you see for Yugoslavia?

[Micunovic] In Yugoslavia, the circle has closed in: There is a severe crisis in the country, a crisis that has paralyzed the federal government both economically and politically. This makes Yugoslavia look risky to investors, and even domestic private capital is fleeing the country. Economic relations between the federated republics have been discontinued, and this leaves us with the threat of a financial crash. This encourages our leaders to direct the public's attention toward political issues. Each republic is proclaiming its independence, we are experiencing a delirium of independence. [passage omitted]

Following the foundation of the SFRY, internal administrative borders were unimportant; only the central power and our external borders mattered. If we really wanted a confederation, we would first have to create independent states. The problem is that these borders have not been drawn up yet; it would be the first time in history that these units would receive their own independent borders. [passage omitted]

If there is no agreement on the borders issue, then on the basis of the prevailing balance of forces, only a war could act as a decisive factor. The Army is prepared, in the hope of avoiding a war; the Army's goal is to prevent a civil war. Only one solution remains: dialogue. The Democratic Party of Serbia is of the opinion that Yugoslavia should be structured according to the example set by the European Communities. [passage omitted]

SPO Denies Contact With Tudjman, Croatia

AU2603173791 Belgrade POLITIKA in Serbo-Croatian 24 Mar 91 p 8

[Statement by the Presidium of the Serbian Renaissance Movement; place and date not given: "There Has Been No Contact Between the Serbian Renaissance Movement and the Croatian Democratic Community"]

[Text] The Presidium of the Serbian Renaissance Movement [SPO] reiterates that SPO representatives have never on any occasion requested information or any other kind of cooperation with the Ustasha regime of [Croatian President Franjo] Tudjman.

To put it politely, the Croatian president is involved in the most primitive plotting. All his "proof" amounts to some anonymous telephone calls. It would be clear even

to a blind man what this is all about. These anonymous declarations, if they are not also fabricated, are a reflection of President Tudjman himself and the "young Croatian democracy."

Only SPO President Vuk Draskovic sent one (open) letter on 26 January this year to Tudjman regarding the Ustasha-type statements made by General Spegelj. Tudjman refused to reply to this letter because, according to his statement, "Vuk Draskovic threatened and seriously offended the Croatian people."

This has been the only contact between the Croatian Democratic Community and the SPO.

Mladen Markov, vice president, for the SPO Presidium.

Serbian Inquiry Reports on Belgrade Protests

LD2703092291 Belgrade TANJUG in English 2329 GMT 26 Mar 91

[Text] Belgrade, March 26 (TANJUG)—A multi-party board of inquiry of the parliament of the Yugoslav Republic of Serbia has established that the organizer of the demonstrations in Belgrade on March 9 had disobeyed the government's ban on the demonstrations and that the Interior Ministry had lost control of the developments.

The board of inquiry today submitted to the Serbian Parliament its report on the March 9 demonstrations in Belgrade, in which a student and a police officer were killed in a clash between police and demonstrants.

A parliament debate on the report, which the board adopted unanimously, has been called for March 29.

'In the general confusion, two people were killed and 203 were injured - 163 demonstrants and 40 police', the report specifies.

The board of inquiry proposes to parliament that the relevant material on the demonstrations, specifically the video-tapes, be shown to the [words indistinct] as well as that the competent organs establish as soon as possible the circumstances in which the student and the police officer died.

The board also demands fixing of responsibility of all those whose actions had led to the destruction of life and property.

The board further proposes that parliament examine the responsibility and the tendered resignation of Serbian Interior Minister Radmilo Bogdanovic.

Bogdanovic's resignation was demanded by the Serbian opposition parties after the March 9 demonstrations. The next day, the demand was seconded by Belgrade students, who demonstrated in central Belgrade for four days.

Serbian Assembly Approves Land Reform

LD2603133291 Belgrade TANJUG Domestic Service in Serbo-Croatian 1049 GMT 26 Mar 91

[Text] Belgrade, 26 Mar (TANJUG)—The Serbian Assembly approved at today's session changes to the constitutional law for the implementation of the constitution of the Republic of Serbia, which creates the constitutional and legal basis for the adoption of a law on the return of land to former owners.

Two Explosions Reported in Knin Area

LD2603150191 Zagreb Domestic Service in Serbo-Croatian 1400 GMT 26 Mar 91

[Text] Last night at 2100 there was a powerful explosion in Modrino Selo, between Kistanje and Ervenik in the area of Knin municipality. The explosive device, which was placed in a container at the Obrovac bauxite mines, caused damage to all buildings within an area of 300 meters, and particularly serious damage was caused to the primary school building in Modrino Selo. At 0200 there also was an explosion in the center of Knin, which destroyed a kiosk belonging to Zagreb's VJESNIK and a Croatian lottery kiosk was completely destroyed. An investigation into these two explosions has been launched by the police of the so-called Serbian autonomous region of Krajina.

Slovenia's Peterle on Krsko Plant, Sovereignty

AU2603163891 Vienna AZ in German 26 Mar 91 p 6

[Interview with Slovene Prime Minister Lojze Peterle by Margaretha Kopeinig in Vienna; date not given: "Federalists in the European Sense"]

[Text] [Kopeinig] Chancellor Franz Vranitzky has suggested to the Slovene government setting up a mixed examination commission for the nuclear power plant at Krsko as well as cooperation in the sphere of energy management. Have you responded yet to the letter of the Austrian head of government?

[Peterle] I have brought the letter of reply with me to Vienna.

[Kopeinig] And what do you say in your letter?

[Peterle] I emphasize that the most important thing is to work out a complete energy plan for Slovenia. We do not need a commission to examine Krsko but a commission to show alternatives in the energy sector if we shut down the Krsko nuclear power plant.

[Kopeinig] Does this mean that you are in favor of an Austrian-Slovene commission?

[Peterle] Yes, a mixed commission, which works out proposals for the restructuring of the energy sector and sounds out all possibilities for financing such a project at home and abroad.

[Kopeinig] Have the Slovene members of this commission already been named?

[Peterle] Energy Minister Tomsic would be able to nominate experts at once.

[Kopeinig] You have told journalists that "Tito's legacy is tough." What is so bad about it?

[Peterle] Slovenia meets all European standards such as the recognition of human rights, the promotion of minorities, etc. Yet, internationally we are being punished because of the developments in Yugoslavia.

[Kopeinig] What do you do to "better advertise" Slovenia's path internationally?

[Peterle] We have already initiated an information campaign and a diplomatic campaign. Contacts with the various European governments and to the EC in Brussels are developing nicely. Once Slovenia is independent the international community of states will assess the country in a new way.

[Kopeinig] Will Slovenia continue to insist in leaving the federation despite the easing of the tension in Yugoslavia and the readiness for dialogue on the part of Serbia?

[Peterle] Yes, it will. A sovereign state, Slovenia as an independent subject of international law, is the precondition for further negotiations with the other republics. Only on the basis of independence can we conduct talks on a confederation. We perceive ourselves as federalists in the European and not in a Yugoslav sense.

Slovene Economic Chamber Wants Reduced Budget

AU2603221091 Belgrade BORBA in Serbo-Croatian 23-24 Mar 91 p 4

[S. Sicarov report: "Budget Up To 65 Billion"]

[Text] Ljubljana—If our appeal is not heeded, the economy will experience total catastrophe and if the government's current economic policy continues the question will be raised of the government's powers and responsibility in resolving the situation. This almost dramatic warning was voiced by Economic Chamber President Tomaz Kosir at yesterday's news conference, at which he briefed journalists on the Chamber's proposal that the Assembly reject the new draft of the republican budget and that, on the basis of a demand of the Associated Labor Chamber, the government formulate a new budget that would amount to a maximum of 65 billion dinars.

The government yesterday presented the new draft budget, which had been reduced from the original 75 billion dinars to 69.6 billion dinars, and also proposed that the tax on the payment of personal incomes be scrapped. The Chamber had even earlier called for a budget reduction of 20 percent, which would have reduced public spending from last year's 60 percent to 48 percent of social product, which is too high even for the European average, which is 40 percent.

With the proposed budget of 69.6 billion and the predicted fall in social product of 2 percent, public spending would amount to 56 percent of social product. Kosir stressed, however, that on the basis of February's fall in production of 14.5 percent, one should also expect a fall in social product of 10 percent, which would mean that 62 percent of the total product would go on public spending in Slovenia.

Kosir presented figures showing that, at the moment, there are more than 70,000 unemployed in Slovenia, more than 200,000 workers are employed in enterprises that have permanently frozen accounts, and more than 250,000 workers are employed in enterprises that operate at a great loss.

The Chamber also proposes to the Assembly that the government carries out a reorganization and rationalization in the sphere of beneficiaries of the budget and that public spending be reduced to 40 percent. According to Kosir, the greatest budgetary saving could be achieved in the responsibilities that are being transferred from the federation, that is to say, the Army and intervention in the economy.

Izetbegovic Suggests Helsinki Model for Balkans

AU2603163591 Vienna DER STANDARD in German 26 Mar 91 p 2

[Alfons Dalma report on interview with Bosnia-Hercegovina President Alija Izetbegovic in Vienna; date not given: "Helsinki Model for the Balkans"]

[Text] Vienna—"I do not know whether the relative calm that has been restored in Yugoslavia last week is a real change or only a respite. It is probably only a respite," stated Alija Izetbegovic, the first freely elected and democratic head of the southern Slavic republic of Bosnia-Hercegovina since the founding of Yugoslavia in 1918. He participates in the "Roundtable Europe," which opened in Vienna yesterday.

The author of the historical-philosophical analysis "Islam and the West," who was persecuted by the communists for decades and often deprived of his personal freedom, is the political leader of the Bosnian Moslems, who account for over 40 percent of the population of this republic (as compared with 30 percent of Orthodox Serbs and 25 percent of Catholic Croats).

"It remains to be seen—maybe a decision will be made on Thursday [28 March] when the presidents of the republics hold the next round of talks—whether the people of Yugoslavia will be forced against their will to adhere to the old status. There are signs that the decision not to use the Army might be irreversible," Izetbegovic stressed in an interview with DER STANDARD.

The signals from Europe and the United states had a strong impact on Yugoslavia and considerable influence on the agitators. The urgent and insatiable financial needs of the Army and the industries related with the Army cannot be recovered forcibly from the republics. As a matter of fact, the military should not try to assume responsibility through the use of force because it has no concept for improving the country's ailing economy.

"Bosnia-Hercegovina advocates a democratic settlement among the sovereign republics, a southern Slavic version of the European Helsinki model. Respect for the existing state borders between the republics of the current federation is an absolute precondition for a peaceful solution to the southern Slavic problem. Every forceful attempt to change things might trigger chain reactions leading to open conflict among the peoples," Izetbegovic pointed out. His republic assumes an important geopolitical and technical role in the reshaping of Yugoslavia.

"Bosnia is not simply a small Yugoslavia. An awareness of the priority of the things common to all Bosnians has developed among the three ethnic groups, whereas no national Yugoslav identity has developed among the peoples. Bosnia- Hercegovina has always been a political entity during 1,000 years of history. Yugoslavia, however, is a relatively new framework without historic content. We advocate a relatively loose confederation of states or a treaty-based community. Not its legal name but the political content is important: The republics must be sovereign. An alliance of sovereign republics might one day be a model for the whole Balkans and even contribute to a solution to the Kosovo issue," Izetbegovic stressed.

Parties Decide To Skip Belgrade Protest Rally

LD2603130491 Belgrade TANJUG Domestic Service in Serbo-Croatian 1105 GMT 26 Mar 91

[Text] Sarajevo, 26 Mar (TANJUG)—The Serbian Democratic Party [SDS] in Bosnia-Hercegovina, together with the SDS in Croatia, the People's Party of Montenegro, and the Serbian Radical Party, have decided to refrain from the protest meeting of Serbian concord and unity that was to have been organized in Belgrade on 28 March.

Responding to appeals from numerous Serbian associations and organizations and prominent public and cultural figures not to pour additional oil onto the fire in the days of heightened national anxiety and narrow-minded confrontation, the organization of the protest meeting is being suspended, today's statement of the executive committee of the SDS in Bosnia-Hercegovina says. At the same time they call on all other political parties to refrain over the coming few days and weeks from political activity in open spaces that could provoke fresh clashes between Serbs at a time when national concord and unity are most needed.

Milosevic an Issue in Macedonian-Serbian Links

AU2603111391 Belgrade BORBA in Serbo-Croatian 19 Mar 91 p 12

[Dragan Nikolic commentary: "Serbs, Allies Nonetheless"]

[Text] In his statement [of 16 March], [Serbian President] Slobodan Milosevic accused Macedonia of participating in an "anti-Serbian conspiracy" and POLITIKA accused Vasil Tupurkovski of being "the destroyer of the Supreme Command." Macedonian officials, nevertheless, deny that "it is in the bloc of conspirators" and that its representative in the SFRY Presidency is "the destroyer of the SFRY Presidency." They say that Macedonia is only "vitally interested" in preserving a Yugoslavia in which it will understand others and others will understand it.

Milosevic has attacked the Macedonians from the beginning—when it was believed that he supported the "ethnic storm troopers" who began to destroy the bureaucratic regimes of the "unprincipled coalition" bloc, and when it was "more than certain" that Macedonia would be next in line after Vojvodina and Montenegro. The Macedonians were also convinced that Milosevic thought that he had the "historic right" to bring down "the non-populist bureaucracy" in the "newly-liberated regions" and establish "democratic authority."

Macedonians have not rid themselves of the fear of Milosevic even today, though the time of rallying campaigns is over, and particularly after his latest statement, in which it is thought that he showed that he is in favor of an "undemocratic solution to the crisis." This statement was nevertheless a bolt from the blue, "an act of authoritarian recalcitrance."

Milosevic's policy, however, is the cause of the main problems of the Macedonians in Macedonia itself. It is maintained that the League of Communists-Movement for Yugoslavia, which has a stronghold in Kumanovo, and recently in western Macedonia too, is "a representative of Milosevic's policy" in Macedonia. There is the widespread belief that this movement does not have so great a chance at possible future elections, but has a great chance in creating centers of Macedonian political instability. They accuse the movement of radicalizing the so-called "ethnic Albanian issue" in Macedonia by fomenting Macedonian nationalism. They are also helped by the fact that the Albanians themselves, whose party won in several communes in western Macedonia, are radicalizing the issue of their rights, which was stifled by "Macedonian Bolshevism," together with the rights of Macedonians. Thus, both the Macedonians and Albanians are now demanding that the "ethnic Albanian issue" or the issue of the rights of Albanians, which has been insoluble for four decades, be resolved overnight. This could be the beginning of ethnic conflicts in western Macedonia, although any instability in this part of Macedonia means the instability of Macedonia and "the

light at the end of the tunnel of the military option." It is thought that the rally of Macedonians in Gostivar and the protest by veterans from Kicevo are an expression of an ominous initial symptom.

It is officially assessed that in Macedonia Milosevic has produced a Serbophobia that has been unknown in Macedonia in the whole of the postwar period and, in parallel with this, he has nurtured the tendencies of Macedonian separatism and "disassociation." Macedonia has been deluged with an unprecedented wave of nihilism, which like "the ideology of anti-communism and neo-democracy [neodemokratura]," does not recognize AVNOJ [Anti-Fascist Council of National Liberation of Yugoslavia] in Macedonia, ASNOM [Anti-Fascist Council of National Liberation of Macedonia], Macedonian statehood, the Macedonian language, Macedonian business people, and the Macedonian intelligentsia. Macedonia has simply not yet created anything. Its intelligentsia is a "fifth column", its journalists "janissaries," and its business people, students "of colonial status." Considering that relations between the authorities in Macedonia and Serbia have been broken off, political conclusions can generally be drawn from POLITIKA's articles about Macedonia.

The latest events in Belgrade have led to the shattering of the widespread belief among Macedonians that Milosevic is a synonym for the "Serbian Bolshevik monolithism" that horrifies Macedonians. At the same time, there are sure signs that the good old belief is again strengthening that the Macedonians' best allies in the windswept Balkans are the democratic forces of the Serbian people.

Montenegro Reportedly 'Misappropriated' Funds

LD2603223791 Belgrade TANJUG in English 2107 GMT 26 Mar 91

[Text] Ljubljana, March 26 (TANJUG)—Radio Slovenia "unofficially learns today" the the Yugoslav Republic of Monenegro has invaded Yugoslavia's single monetary system and misappropriated 2,500 million dinars (160 million dollars).

The report broadcast the allegation this afternoon, quoting "highly reliable financial circles."

Radio Slovenia's reporter in Belgrade has tried to check the information at the National Bank of Yugoslavia (central bank) but has failed to "obtain confirmation," said the radio.

The bank only announced a meeting of its council of governors for tomorrow, Radio Slovenia said.

The Yugoslav federal government on Tuesday said that the Montenegrin parliament had passed a law authorizing the republic to draw the funds on the basis of the dues to the republic from the federal budget for 1990.

The Federal Information Secretariat said that the government "intervened immediately, blocking the account of the republican (central) bank and the republican budget and putting a stop to the application of the law."

Late last year, the Yugoslav Republic of Serbia tapped the country's financial system for 18 billion dinars (around 1.5 billion dollars).

Text of Vojvodina Statute Finalized

LD2503230691 Belgrade TANJUG in English 2132 GMT 25 Mar 91

[Text] Novi Sad, March 25 (TANJUG)—The commission for constitutional questions of the assembly of Vojvodina on Monday finalized the text of a draft statute for the province, providing only for its territorial autonomy.

The draft is to be enacted by the provincial assembly on March 29, before its proclamation, which terminates the validity of the existing provincial constitution, the statute should be approved by Serbia.

The constitution of Serbia, proclaimed last autumn, introduced statutes to replace the constitutions of its two provinces - Vojvodina and Kosovo

Speakers at today's meeting of the commission called at [words indistinct] a considerable number of objections raised at a public debate on the draft statute to its insufficiently clear definition of the [words indistinct] of the autonomy.

The commisison set out that the draft has been adjusted to the new Serbian Constitution and that Article 1 now reads: "The Autonomous Province of Vojvodina is a form of territorial autonomy in the Republic of Serbia" and "The citizens of Vojvodina exercise their rights and carry out their duties autonomously under the Constitutional and laws."

The draft statute also says that the future multiparty assembly of Vojvodina shall have 120 seats.

Front Wants Vojvodina To Attend Talks

AU2603174791 Belgrade POLITIKA in Serbo-Croatian 24 Mar 91 p 11

[TANJUG report: "In Favor of Vojvodina's Participation in Talks on Yugoslavia"]

[Text] Novi Sad, 23 March—The All-National Democratic Front of Vojvodina welcomes the willingness to resolve the political crisis in Yugoslavia through an agreement within the framework of the legal institutions of the system, and asks the SFRY Presidency to include in these talks the Autonomous Province of Vojvodina, which "took part in setting up the country, as an equal historical province."

This is stressed in a statement by the Provincial Committee of Zivan Berisavljevic's party, which is worded to give the impression that the participation of Vojvodina

Presidency President Jugoslav Kostic, in the work of the federal Presidency, is not considered to be legitimate.

The front also supports the demand from students and the opposition in Novi Sad that Radoman Bozovic be removed from the post of president of the provincial government, which would, along with other measures, more widely open up the processes of democratization in Vojvodina, the statement concludes.

Journalists Protest Confiscation of New Newspaper

LD2603154591 Belgrade TANJUG Domestic Service in Serbo-Croatian 1337 GMT 26 Mar 91

[Text] Subotica, 26 Mar (TANJUG)—Journalists of the newly founded daily Hungarian-language daily—PANON HIRLAP [PANNONIAN COURIER], which has its editorial office in Subotica, protested at a news conference today because the pilot issue of the newspaper was confiscated at the Yugoslav-Hungarian border on 21 March.

According to the joint owner and manager of the daily, Peter Somodji, the daily is printed in Szeged because the price is very low and Szeged is very near, while its founders are Yugoslav citizens and the editorial office and publishing council is located in Subotica.

The Federal Secretariat for Internal Affairs, on the basis of a resolution on 25 March, allowed the import of the pilot issue. PANON HIRLAP is claiming that, based on this procedure, the paper would have to ask for an import permit every day, which is not feasible.

Journalists of the daily also expressed their dissatisfaction with being practically put on the same level as emigre press.

Yutel Offers $7.5 Million for Coverage Rights

AU2603183491 Belgrade POLITIKA in Serbo-Croatian 21 Mar 91 p 15

[S. Z. report: "Yutel Offered SFRY Assembly $7.5 Million for Exclusive Television Coverage"]

[Text] Back in December 1990, Yutel sent a written offer to the SFRY Assembly in which for a price of $7.5 million it offered to become the exclusive and sole television reporter on all the Assembly sessions.

As we have learned, this has not yet even been discussed in the Commission for Information of the SFRY Assembly, but some of the money from this transaction has already been allocated for television coverage of the SFRY Assembly.

The question arises: What kind of democracy is it when someone can buy exclusive rights and afterwards have the opportunity to sell audio and visual reports that are edited by one center to all of Yugoslavia and the world?

Where did Yutel get $7.5 million?

NIN Journalists Demand Director's Replacement

AU2603221191 Belgrade BORBA in Serbo-Croatian 23-24 Mar 91 p 7

[Excerpts] Yesterday afternoon, Dr. Aleksandar Prlja was appointed acting chief editor of POLITIKA. At a quickly convened meeting of the editorial board—which was attended by a large number of people—the newspaper's director Dr. Minovic told the editorial board that he is no longer able to do both jobs of director and chief editor of the newspaper and therefore proposed that Dr. Prlja take over responsibility for the second position. Two questions were raised: Does the director have the right to make appointments, and what does Prlja's prominent party exposure mean in the context of efforts to make POLITIKA a nonparty newspaper?

The answer to the first question was that the director does have the right to make appointments, and in response to the second, Minovic cited the example of Mihailo Kovac "who is also affiliated with a party but has nevertheless been proposed by Belgrade Television as director." [passage omitted]

BORBA has also unofficially learned that after failed negotiations with Minovic, the Forum of Free Journalists of NIN has sent an ultimatum (the deadline of which expires tonight at 2400) to the director of this house to demand that Teodor Andjelic be removed from the post of chief editor of NIN. The ultimatum says that if this demand is not met, the "rebellious majority" of the NIN editorial board will organize a strike beginning Monday. The domestic and world public will be informed of everything at a news conference in the international press center that will be scheduled and organized later.